

SCHOOL DISTRICT
OF
TOWN
OF
HAMMONTON

Town of Hammonton Board of Education
Hammonton, New Jersey

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2012

Comprehensive Annual Financial Report

of the

Town of Hammonton Board of Education

Hammonton, New Jersey

For the Fiscal Year Ended June 30, 2012

Prepared by

Town of Hammonton Board of Education

Business Administration

TOWN OF HAMMONTON SCHOOL DISTRICT

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Introductory Section

Hammonton Board of Education

566 Old Forks Road + PO Box 308
Hammonton, NJ 08037
Phone 609-567-7000 + Fax 609-561-4420
Website: www.hammontonps.org

Dr. C. DAN BLACHFORD
Superintendent of Schools

BARBARA S. PRETTYMAN
Business Administrator/Board Secretary

October 22, 2012

Honorable President and
Members of the Board of Education
Town of Hammonton School District
Atlantic County, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Town of Hammonton School District (District) for the fiscal year ended June 30, 2012, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, management's discussion and analysis, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the US. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the New Jersey OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: The Town of Hammonton School District is an independent reporting entity as set forth in Section 2100 of the *GASB Codification of Governmental Accounting and Financial Reporting Standards*. All funds and account groups of the District are included in this report. The Town of Hammonton Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through twelve. These include regular as well as special education for handicapped children. The District completed the 2011-2012 fiscal year with an average daily enrollment of 3,540 students, which is 19 students above the previous year's average daily enrollment. The following details the changes in the student enrollment of the District over the last ten years.

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	<u>Percent Change</u>
2011-2012	3,540	.54
2010-2011	3,521	2.95
2009-2010	3,420	1.72
2008-2009	3,362	2.97
2007-2008	3,265	(.88)
2006-2007	3,294	(2.17)
2005-2006	3,367	1.99
2004-2005	3,301	1.85
2003-2004	3,241	4.11
2002-2003	3,113	24.97

2) ECONOMIC CONDITION AND OUTLOOK:

The status of funding our school district continues to be exceptionally difficult. For example, the New Jersey Department of Education has communicated that Hammonton is "...under adequacy by \$5,217,755." The State's lack of logic in funding school districts, is illustrated by the "TAXPAYERS' GUIDE TO EDUCATION SPENDING." In the group Operating Type K-12 / 3501 + Pupils; we are the lowest spending district in Budgetary Per Pupil Cost – we spend \$10,474. The Hammonton Board needed to recommend a no tax increase budget due to local economic factors that are weighing heavily on the homeowners. Fortunately, the voters approved the budget.

Hammonton Public Schools will continue to use every possible technique to provide the students with an efficient education, as well as, a thorough education. For the 2012-2013 school year we are an approved NJ Department of Education Choice School for grades 2-11. This will bring in additional funding of about \$1,000,000 to our Warren E. Sooy School, Hammonton Middle School, and Hammonton High school.

3) MAJOR INITIATIVES:

There are several new initiatives for 2013-2014 that are designed to improve student academic accomplishments. Hammonton will continue with staff development and monitoring in the areas of differentiated instruction, Sheltered Instruction Observation Protocol (SIOP), Collins Writing, and Kid Writing. We are also implementing the Common Core Standards and EE4NJ.

- We have two additional faculty in-service days in the 2011-2012 and 2012-2013 calendars. We used the two days at the end of the 2011-2012 school year to enable the faculty to revise curriculum and learn about the new technology we have in the classrooms. This year they will focus on analyzing student data to improve instruction.
- The Hammonton School District's initiative of Professional Learning Communities has gained statewide recognition and we have expanded it for 2012-2013.

- We have improved our benchmarks and placed them in our student data information system so our teachers can analyze class and individual student areas of performance. We will continue to use formative and summative assessments to focus instruction on the areas of student needs.
- We will increase the integration of technology into the curriculum. (CCSS: 8.1, 8.2)
- We expanded our elementary math program to grades 3 to 5. Our approach focuses on the new Common Core Standards (CCSS Math 5)
- We will continue to develop the language arts literacy program in grades Pre K to 5. The phonics program and sight words initiative for pre K to grade 2 has been greatly improved. All teachers have received extensive in-service and are working as teams to develop their lessons (CCSS: 3.1, 3.2, 3.3, 3.4 and 2010 English Language Arts Standard Reading).
- Teachers, upon request, will be allowed to attend one out-of-district professional development session that will enhance classroom instruction. (PDO: 1-8)
- We are improving the block schedule at Hammonton Middle School. The faculty implemented an exceptional block schedule that provides the students with more background in algebra I and geometry (2010 Mathematics Standard Cluster of Number and Quantity, Algebra, Functions, Modeling, Geometry, and Statistics/Probability). Additionally every other subject area is able to go into more depth in their subjects (NJ Common Core Standards in Language Arts Literacy, Science, Health and PE).
- We continue to revise all our curricula to be consistent with NJ Department of Education guidelines and the "Understanding by Design" initiative and the Common Core State Standards.
- The faculty at the Warren E. Sooy School has improved their modified block schedule for grades 4 and 5 that will enable them to more effectively address the Common Core State Standards in Mathematics and Language Arts Literacy.
- This year we are continuing to prepare for implementation of 9th Grade Physics for every student in the 2013-2014 school year.

4) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining internal controls designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal awards and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal awards and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

5) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2012.

6) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.

7) DEBT ADMINISTRATION: At June 30, 2012, the District's outstanding debt issues included \$31,339,000 of general obligation bonds. The proceeds of the bond issues were used to provide funds for the construction of the High School and Early Childhood Center and also for capital improvements to the Middle School and W.E.S. Elementary School. Capital leases outstanding at June 30, 2012 amounted to \$238,429. These leases were originally issued for the purchase of copiers and school buses.

8) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 1 and 2. The District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

9) RISK MANAGEMENT: The Hammonton Board of Education is a member of the New Jersey School Boards Association Insurance Group (NJSBAIG). The program provides school districts with a long-term alternative to the conventional insurance market as a means of stabilizing the otherwise cyclical nature of insurance expenditures. The Fund provides its member districts with the following coverages:

1. Property
2. Equipment Breakdown;
3. General and Automobile Liability;
4. Worker's Compensation;
5. School Leaders Errors and Omissions Liability;

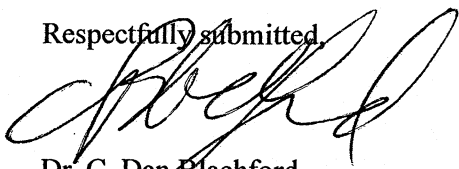
10) OTHER INFORMATION:

A) Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nightlinger, Colavita & Volpa, PA was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the related OMB Circular A-133 and New Jersey OMB Circular 04-04. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.


11) ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Town of Hammonton Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

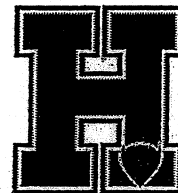
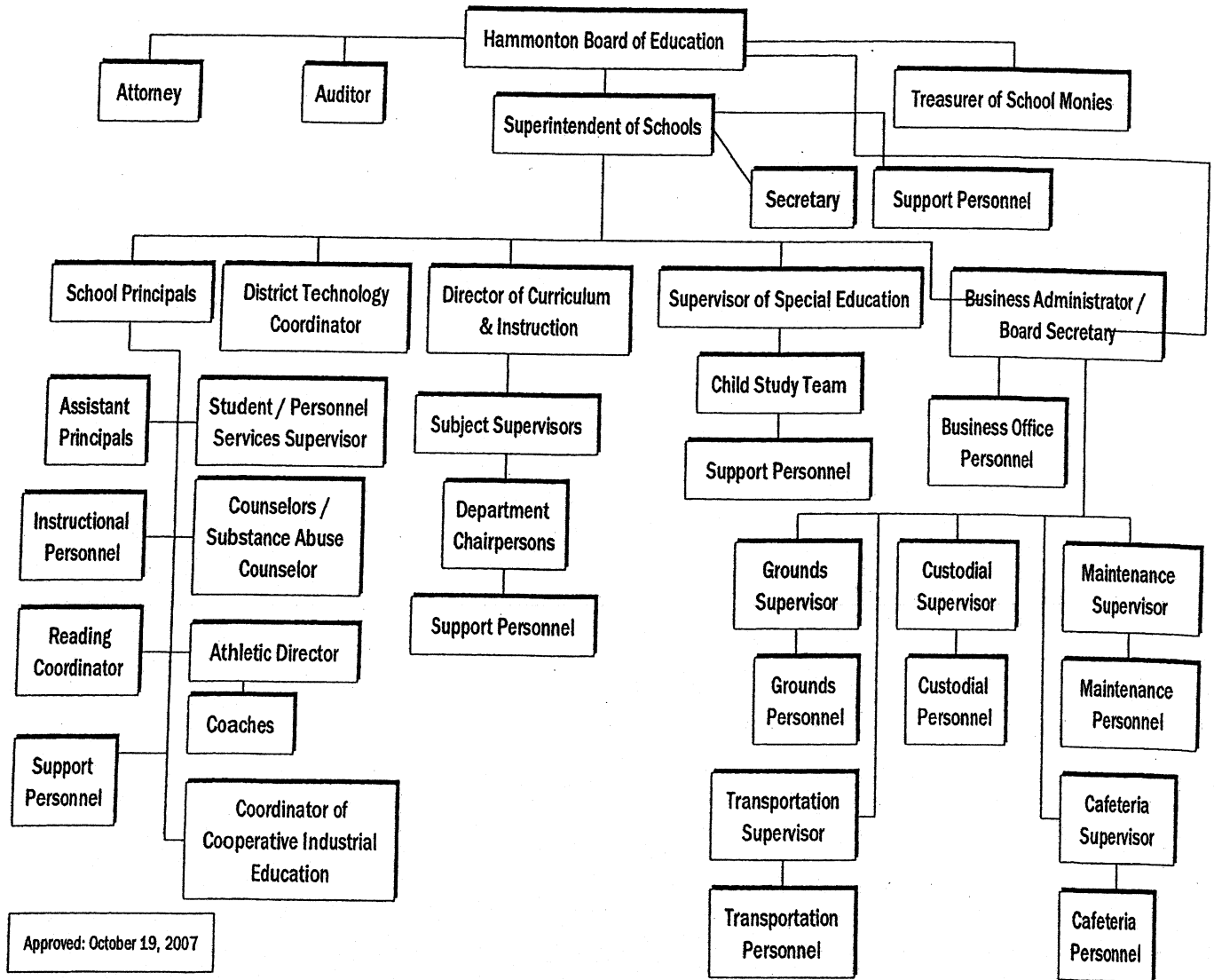


Dr. C. Dan Blachford
Superintendent



Barbara S. Prettyman
School Business Administrator/
Board Secretary

Hammonton Board of Education District Organizational Chart



TOWN OF HAMMONTON BOARD OF EDUCATION

Roster of Officials June 30, 2012

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Joseph Giraldo, President	2014
Robert Bauers, Vice President	2013
Thomas Attanasi	2015
Barbara Berenato	2013
Manuel Bermudez	2014
John Lyons	2013
Sam Mento III	2014
Leo Petetti	2015
Eric Weiss	2015
Terri Chiddenton - Waterford Representative	2013
Louis DeStefano - Folsom Representative	2013
<u>Other Officials</u>	
Dr. C. Dan Blachford, Superintendent	
Barbara S. Prettyman, Business Administrator/Board Secretary	
William Donio, Esq., Solicitor	

TOWN OF HAMMONTON BOARD OF EDUCATION

Consultants and Advisors

Audit Firm

Nightlinger, Colavita & Volpa, PA
991 S. Black Horse Pike
P.O. Box 799
Williamstown, NJ 08094

Attorney

William S. Donio, Esq.
Cooper Levenson
1125 Atlantic Avenue
Atlantic City, NJ 08401

Bond Counsel

McManimon and Scotland, LLC
One Riverfront Plaza
Fourth Floor
Newark, NJ 07102-5408

Official Depository

Susquehanna Bank
240 South White Horse Pike
Hammonton, NJ 08037

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

991 S. Black Horse Pike
P.O. Box 799
Williamstown, NJ 08094

(856) 629-3111
Fax (856) 728-2245

October 22, 2012

INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
Town of Hammonton School District
County of Atlantic, New Jersey

Mesdames and Gentlemen:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Town of Hammonton School District in the County of Atlantic, State of New Jersey, as of and for the fiscal year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Hammonton Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Hammonton Board of Education in the County of Atlantic, State of New Jersey, as of June 30, 2012, and the respective changes in financial position and cash flows, thereof where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

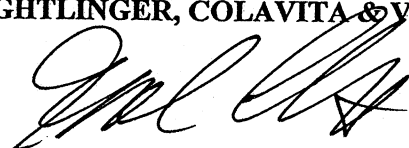
In accordance with *Government Auditing Standards*, we have also issued a report dated October 22, 2012 on our consideration of the Town of Hammonton Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governments Auditing Standard* and should be considered in assessing the results of our audit.

The Management Discussion and Analysis and Budgetary Comparison Information on pages 11 through 19 and 53 through 65 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Hammonton Board of Education's, financial statements as a whole. The introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy For Recipients of Federal Grants, State Grants and State Aid*, and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, long-term debt schedules and the schedules of expenditures of federal awards and state assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedure applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express do not express an opinion or provide any assurance on them.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.



Raymond Colavita, C.P.A., R.M.A.
Licensed Public School Accountant
No. 915

Required Supplementary Information
Part I

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Town of Hammonton School District ("District") annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2012. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statement.

FINANCIAL HIGHLIGHTS

- The net assets of the District decreased approximately \$6,285 as a result of unspent appropriations offset by a cancellation of bond proceeds receivable.
- The State of New Jersey reimbursed the District \$3,437,922 during the fiscal year ended June 30, 2012 for the employer's share of social security contributions and pension contributions for TPAF members as calculated on their base salaries. This amount, which is not budgeted, is included as both a revenue and expenditure in the financial statements.
- As indicated by New Jersey State Statutes, the unreserved fund balance of the general fund is limited to 2% of the total general fund expenditures. Any excess is required to be designated as Reserved Fund Balance – Excess Surplus and included in the subsequent years' budget as budgeted fund balance. As of June 30, 2012 the District had \$0 excess surplus.
- During the fiscal year ended June 30, 2012, the District's revenue realized was approximately \$6,285 less than total expenses. There was a decrease in the tax levy of \$5,448, decrease in miscellaneous revenue of \$1.3 million due to canceled bond proceeds receivable, decrease in transportation fees of \$43,000, decrease in tuition of \$241,188 and an increase in federal and state aid of \$1.9 million. There were unspent appropriation of \$2.1 million however, expenses increased by \$1.8 million. Depreciation on capital assets accounted for \$1.5 million of these expenses. During the prior fiscal year, revenues realized was approximately \$1.5 million more than total expenses as a result of unspent appropriations offset by a decrease in state aid.
- In the District's business-type activities, net assets increased approximately \$8,500 in the Latchkey Program and net assets increased approximately \$81,000 in the Food Service Fund. This increase in the Food Service Fund is a result of an increase in revenues and efficient expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – *management's discussion and analysis* (this section), the basic *financial statements*, *required supplementary information*, and an optional section that presents *combining statements for special revenue, proprietary, and fiduciary funds*. The basic financial statements include two kinds of statements that present different views of the District.

- The remaining statements are *fund financial statements* that focus on individual parts of the District's government, reporting on the District's operations in *more detail* than the government-wide statements.
 - The *governmental funds* statements tell how *general government* services like instruction were financed in the *short term* as well as what remains for future spending.
 - *Proprietary fund* statements offer *short-* and *long-term* financial information about the activities the District operates like businesses, such as the food service area and latchkey program.
 - *Fiduciary fund* statements provide information about the financial relationships – like the unemployment trust fund – in which the District acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another.

Figure A-1 summarizes the major features of the District's financial statements, including the portion of the District's government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Figure A-1**Major Features of Town of Hammonton Board of Education's
Government-wide and Fund Financial Statements**

	Government wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as food service and student activities	Activities the District operates similar to private businesses; food service and latchkey	Instances in which the District is the trustee or agent for someone else's resources, such as payroll agency and student activities.
Required financial statements	Statement of net assets Statement of activities	Balance sheet Statement of revenues, expenditures, and changes in fund balances	Statement of net assets Statement of revenues, expenses, and changes in net assets Statement of cash flows	Statement of fiduciary net assets Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short- term and long- term.	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included.	All assets and liabilities, both financial and capital, and short-term and long-term.	All assets and liabilities, both short-term and long-term.

Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses, regardless of when cash is received or paid.	All revenues and expenses during year, regardless of when cash is received or paid.
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Government-wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes *all* of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's *net assets* and how they have changed. Net assets – the difference between the District's assets and liabilities – is one way to measure the District's financial health, or *position*.

- Over time, increases or decreases in the District's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional non-financial factors such as changes in the Town's property tax base and the condition of the District's facilities.

The government-wide financial statements of the District are divided into two categories:

- *Governmental activities* – most of the District's basic services are included here, such as instruction, transportation, administration, and plant operations. Property taxes and state and federal grants finance most of these activities.
- *Business-type activities* – the District charges fees to customers to help it cover the costs of certain services it provides. The District's food service and latchkey programs are included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant *funds* – not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

The District has three kinds of funds:

- *Governmental funds* – Most of the District's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement that explains the relationship (or differences) between them.
- *Proprietary funds* – Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information. In fact, the District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.
- *Fiduciary funds* – The District is the trustee, or *fiduciary*, for its employees' unemployment compensation plan. It is also responsible for other assets that - because of a trust arrangement - can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net assets. The District's governmental activities net assets were approximately the same between fiscal years 2011 and 2012. The business-type activities net assets increased due to an increase in revenue in the current year.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Current and other assets	8,771,880	9,861,616	742,021	787,483	9,513,901	10,649,099
Capital assets	39,295,563	40,339,330	256,944	147,804	39,552,507	40,487,134
Total assets	48,067,443	50,200,946	998,965	935,287	49,066,408	51,136,233
Long-term liabilities	32,965,937	34,158,738	22,354	21,326	32,988,291	34,180,064
Other liabilities	2,743,410	3,588,346	28,953	55,659	2,772,363	3,644,005
Total liabilities	35,709,347	37,747,084	51,307	76,985	35,760,654	37,824,069
Net assets						
Invested in capital assets	8,693,209	8,417,262	256,944	147,804	8,950,153	8,565,066
Restricted	8,368,263	8,283,302			8,368,263	8,283,302
Unrestricted	(4,703,376)	(4,246,702)	690,714	710,498	(4,012,662)	(3,536,204)
Total net assets	12,358,096	12,453,862	947,658	858,302	13,305,754	13,312,164

Net assets of the District are approximately the same. Included in long-term liabilities are amounts due to be paid on capital leases and compensated absences.

As required by New Jersey Statutes, the unrestricted net assets of the District are not permitted to exceed 2% of total general fund expenditures, after reductions for On-behalf TPAF pension and social security and assets acquired under capital leases. Any excess must be appropriated as budgeted fund balance in the subsequent years' budget. As of June 30, 2012 the District had \$0 excess surplus.

Changes in net assets. The local tax levy is 37.03% of total revenues. The municipality levies this tax on properties located in the Town and remits the collections on a monthly basis to the District.

Approximately 28.49% of the District's revenue comes from the State of New Jersey in the form of non-restricted state aid. This aid is based on the District's enrollment as well as other factors such as legislative funding of the CEIFA formula. The District expenses are primarily related to instruction, administration, and plant operations.

	<u>2012</u>	<u>2012</u>	<u>2011</u>	<u>2011</u>
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Property taxes	17,325,426	37.03%	17,330,874	37.25%
Unrestricted Federal and State aid	13,328,842	28.49%	11,993,921	25.78%
Tuition	10,763,744	23.01%	11,004,932	23.65%
Transportation fees from other LEA's	65,528	.14%	108,608	.23%
Operating grants and contributions	6,026,604	12.88%	5,474,420	11.77%
Other	(726,141)	(1.55)%	611,773	1.31%
Totals	46,784,003	100.00%	46,524,528	100.00%

Governmental Activities

The following schedule summarizes the governmental and business-type activities of the District during the 2012 and 2011 fiscal years.

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues						
Program revenue						
Charges for services			827,367	848,817	827,367	848,817
Federal grants	2,171,111	2,118,677	725,717	633,990	2,896,828	2,752,667
State grants/entitlements	3,855,493	3,355,743	15,714	15,350	3,871,207	3,371,093
General revenues						
Property taxes	17,325,426	17,330,874			17,325,426	17,330,874
Tuition	10,763,744	11,004,932			10,763,744	11,004,932
Transportation Fees from other LEA's	65,528	108,608			65,528	108,608
State aid entitlements	13,328,842	11,993,921			13,328,842	11,993,921
Other	(726,141)	611,773	10,943	9,906	(715,198)	621,679
Total revenues	46,784,003	46,524,528	1,579,741	1,508,063	48,363,744	48,032,591
Expenses						
Instruction:						
Regular	22,351,147	21,995,805			22,351,147	21,995,805
Special Education	4,147,891	3,776,332			4,147,891	3,776,332
Other Instruction	1,451,322	1,126,267			1,451,322	1,126,267
Support services:						
Tuition	1,350,389	820,226			1,350,389	820,226
Student & instruction related services	5,689,848	5,065,316			5,689,848	5,065,316
School admin services	2,556,141	2,652,668			2,556,141	2,652,668
General admin services	810,304	872,481			810,304	872,481
Plant operations/maintenance	4,214,748	4,639,128			4,214,748	4,639,128
Pupil transportation	2,096,232	1,919,705			2,096,232	1,919,705
Business and other support services	968,856	870,618			968,856	870,618
Interest on long term debt	1,242,891	1,303,565			1,242,891	1,303,565
Business-type activities			1,490,260	1,429,891	1,490,260	1,429,891
Total expenses	46,879,769	45,042,112	1,490,260	1,429,891	48,370,029	46,472,003
Excess(deficiency) before special item	(95,766)	1,482,417	89,481	78,172	(6,285)	1,560,589
Increase (decrease) in net assets	(95,766)	1,482,417	89,481	78,172	(6,285)	1,560,589
Net assets – beginning	12,453,862	10,971,445	858,177	780,130	13,312,039	11,751,575
Net assets – ending	12,358,096	12,453,862	947,658	858,302	13,305,754	13,312,164

Business-type Activities

Operating revenues of the District's business-type activities increased approximately \$71,000 over the previous year and expenses increased by approximately \$60,000.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As of the year end, the governmental funds reported a combined fund balance of \$12.3 million which is approximately \$95,000 less than the beginning of the year.

General Fund Budgetary Highlights

As further explained in the Footnotes to the Financial Statements, annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the County office and, as a Type II School District, are approved by the voters annually. Transfers of appropriations that do not exceed 10% on a cumulative basis may be made by Board resolution at any time during the fiscal year. Transfers of appropriations that exceed 10% on a cumulative basis must be approved by the Commissioner of Education. The District is permitted to encumber funds throughout the year for purchases ordered but not yet received. Any open encumbrances as of June 30th carry over to the next fiscal year and are added to the appropriation reflected in the certified budget.

After adjusting total revenue reported on Exhibit C-1 for the Reimbursed TPAF Social Security Contribution and on-behalf TPAF Pension Contributions, which are not budgeted, the District's actual revenue exceeded the budget by approximately \$260,000. Again, after adjusting for the Reimbursed TPAF Social Security Contribution and on-behalf TPAF Pension Contributions, actual expenditures were below the budgeted appropriations by approximately \$2.1 million. Audit exhibit C-1 does not include current year depreciation expense.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2012, the District had invested \$39.5 million in a broad range of capital assets, including land, buildings, improvements, machinery and equipment.

	Governmental Activities		Business-type Activities		Total	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Land	324,908	324,908			324,908	324,908
Construction in progress	0	12,341,919			0	12,341,919
Site improvements	1,216,509	1,090,279			1,216,509	1,090,279
Bldgs and Bldg impr.	36,204,046	25,120,248			36,204,046	25,120,248
Machinery & equipment	1,550,100	1,461,976	256,944	147,804	1,807,044	1,609,780
Total	39,295,563	40,339,330	256,944	147,804	39,552,507	40,487,134

Detailed information about the District's capital assets is presented in Note 10 to the financial statements.

Long-term Debt

All bonds are authorized in accordance with State law by the voters of the District. At the end of the current fiscal year, the District had total bonded debt outstanding of \$31,339,000 and obligations under capital leases of \$238,429.

	Balance 6/30/11	Issued/ Refunded	Retired/ Adjusted	Balance 6/30/12
Governmental Activities				
Bonds payable	\$32,544,000		1,205,000	31,339,000
Obligations under Capital leases	353,143		114,714	238,429
Compensated absences Payable	2,873,709		73,981	2,799,728
Total Governmental Activities	<u>35,770,852</u>		<u>1,393,695</u>	<u>34,377,157</u>
Business-type Activities				
Compensated absences Payable	\$21,326	1,028		22,354
Total Business-type Activities	<u>21,326</u>	<u>1,028</u>		<u>22,354</u>

More detailed information about the District's long-term debt is presented in Note 11 to the financial statements.

The legal debt limit for the District is \$58,715,336 of which \$27,376,336 or 46% is available to be authorized by voter approval.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The student population in the District has increased approximately 60% over the past 10 years, resulting in a significant strain on the school district and the local taxpayers. The 2011-2012 state aid funding increased approximately \$1.3 million however, based on the current state of the economy, we are unable to predict what the future holds as far as future state aid allocations.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to present users (residents, receiving districts, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. If you have questions about the report or need additional financial information, contact the District's business administrator at 566 Old Forks Road, Hammonton, New Jersey 08037.

BASIC FINANCIAL STATEMENTS

DISTRICT - WIDE FINANCIAL STATEMENTS

The statement of net assets and the statement of activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

TOWN OF HAMMONTON SCHOOL DISTRICT
Statement of Net Assets
June 30, 2012

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$7,230,983	723,858	7,954,841
Receivables, net	\$17,110	951	18,061
Deferred bond issue costs - net	\$200,686		200,686
Due from other governments	\$1,323,100	7,580	1,330,680
Inventory		9,632	9,632
Capital assets not being depreciated:			
Land	\$324,908		324,908
Capital assets, net of accumulated depreciation	\$38,970,655	256,944	39,227,599
Total Assets	\$48,067,442	998,965	49,066,407
LIABILITIES			
Accounts payable	\$373,206	11,552	384,758
Accrued interest payable	\$562,237		562,237
Intergovernmental payable	\$54,205		54,205
Deferred revenue	\$342,541	17,401	359,942
Noncurrent liabilities:			
Due within one year	\$1,411,220		1,411,220
Due beyond one year	\$32,965,937	22,354	32,988,291
Total liabilities	\$35,709,346	51,307	35,760,653
NET ASSETS			
Invested in capital assets, net of related debt	\$8,693,209	256,944	8,950,153
Restricted for:			
Debt service	\$161,833		161,833
Other Purposes	\$8,019,117		8,019,117
Unrestricted	(\$4,516,063)	690,714	(3,825,349)
Total net assets	\$12,358,096	947,658	13,305,754

TOWN OF HAMMONTON SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2012

Exhibit A-2

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues		Net (Expense) Revenue and Changes in Net Assets	
			Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities
						Total
Governmental activities:						
Instruction:						
Regular	\$16,618,178	5,732,969				
Special education	3,129,940	1,017,951		4,122,924	(18,228,223)	(18,228,223)
Other instruction	1,084,032	367,290		344,967	(3,802,924)	(3,802,924)
Support services:				124,469	(1,326,853)	(1,326,853)
Tuition	960,245	390,144				
Student & instruction related services	4,650,137	1,039,711		132,214	(1,218,175)	(1,218,175)
School administrative services	1,863,785	692,356		533,694	(5,156,154)	(5,156,154)
General administrative services	698,728	111,576		361,714	(2,194,427)	(2,194,427)
Plant operations and maintenance	3,680,151	534,597		37,811	(772,493)	(772,493)
Pupil transportation	1,765,338	330,894		181,166	(4,033,582)	(4,033,582)
Business and other support services	746,038	222,818		112,135	(1,984,097)	(1,984,097)
Unallocated benefits	10,440,306	(10,440,306)		75,510	(893,346)	(893,346)
Interest on long-term debt	1,242,891				0	0
					(1,242,891)	(1,242,891)
Total governmental activities	46,879,769	0		6,026,604	(40,853,165)	(40,853,165)
Business-type activities:						
Food Service	1,401,364		731,502	741,431		71,569
After School Program	88,896		95,865			6,969
Total business-type activities	1,490,260		827,367	741,431		78,538
Total primary government	\$48,370,029		827,367	6,768,035	(40,853,165)	(40,774,627)
General revenues:						
Taxes:						
Property taxes, levied for general purposes, net					15,868,258	15,868,258
Taxes levied for debt service					1,457,168	1,457,168
Federal and State aid not restricted					13,328,842	13,328,842
Tuition received					10,763,744	10,763,744
Transportation fees from other LEAs					65,528	65,528
Investment Earnings					122,949	133,892
Miscellaneous Income					169,439	169,439
Canceled purchase orders - prior year					361,812	361,812
Canceled bond proceeds receivable					(1,380,341)	(1,380,341)
Total general revenues, special items, adjustments, extraordinary items and transfers					40,757,399	40,768,342
Change in Net Assets					(95,766)	(6,285)
Net Assets—beginning					12,453,862	13,312,039
Net Assets—ending					\$12,358,096	13,305,754

FUND FINANCIAL STATEMENTS

The Individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund.

GOVERNMENTAL FUNDS

TOWN OF HAMMONTON SCHOOL DISTRICT

Balance Sheet
Governmental Funds
June 30, 2012

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$1,172,889			349,146	1,522,035
Capital reserve cash	5,652,859				5,652,859
Interfund accounts receivable	769,877				769,877
Receivables, net	17,110				17,110
Receivables from other governments	288,801	1,034,299			1,323,100
Total assets	<u>7,901,536</u>	<u>1,034,299</u>	<u>0</u>	<u>349,146</u>	<u>9,284,981</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	280,996	92,210			373,206
Interfund payable		713,788			713,788
Due to other governments		54,205			54,205
Deferred revenue	115,159	227,382			342,541
Total liabilities	<u>396,155</u>	<u>1,087,585</u>	<u>0</u>	<u>0</u>	<u>1,483,740</u>
Fund Balances:					
Committed:					
Encumbrances	195,926				195,926
Restricted:					
Legally restricted -- designated for subsequent year's expenditures				161,833	161,833
Capital Reserve designated for subsequent year's expenditures	518,913				518,913
Tuition Reserve designated for subsequent year's expenditures	500,000				500,000
Maintenance Reserve designated for subsequent year's expenditures	100,000				100,000
Capital Reserve	5,133,946				5,133,946
Tuition Reserve	800,000				800,000
Maintenance Reserve	652,654				652,654
Emergency Reserve	313,604				313,604
Unassigned:					
General fund	(709,662)				(709,662)
Special revenue fund		(53,286)			(53,286)
Debt service fund				187,313	187,313
Total Fund balances	<u>7,505,381</u>	<u>(53,286)</u>	<u>0</u>	<u>349,146</u>	<u>7,801,241</u>
Total liabilities and fund balances	<u>\$7,901,536</u>	<u>1,034,299</u>	<u>0</u>	<u>349,146</u>	

Amounts reported for *governmental activities* in the statement of net assets (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

39,295,563

The cost associated with the issues of various bonds are expensed in the governmental funds in the year the bonds are issued, but are capitalized in the Statement of Net Assets.

200,686

Accrued interest payments on long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

(562,237)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

(34,377,157)

Net assets of governmental activities

\$12,358,096

TOWN OF HAMMONTON SCHOOL DISTRICT
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2012

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local tax levy	\$15,868,258			1,457,168	17,325,426
Tuition charges	10,763,744				10,763,744
Transportation fees from other leas	65,528				65,528
Interest earned on capital reserves	53,058				53,058
Interest	67,393		2,498		69,891
Miscellaneous	169,439				169,439
Local sources		30,732			30,732
State sources	15,858,272	828,058		467,273	17,153,603
Federal sources	441,219	1,729,892			2,171,111
Total revenues	43,286,911	2,588,682	2,498	1,924,441	47,802,532
EXPENDITURES					
Current:					
Regular instruction	13,767,662	2,185,364			15,953,026
Special education instruction	2,991,466				2,991,466
Other instruction	1,034,069				1,034,069
Support services and undistributed costs:					
Tuition	907,174				907,174
Student & instruction related services	4,327,351	181,352			4,508,703
General administrative services	683,550				683,550
School administrative services	1,642,517	127,085			1,769,602
Plant operations and maintenance	3,319,292				3,319,292
Pupil transportation	1,720,327				1,720,327
Business and other support services	715,728				715,728
Unallocated Benefits	10,380,596	59,710			10,440,306
Debt service:					
Principal				1,205,000	1,205,000
Interest and other charges				1,263,417	1,263,417
Capital outlay	706,321	40,425	(21,734)		725,012
Total expenditures	42,196,053	2,593,936	(21,734)	2,468,417	47,236,672
Excess (Deficiency) of revenues over expenditures	1,090,858	(5,254)	24,232	(543,976)	565,860
OTHER FINANCING SOURCES (USES)					
Canceled purchase orders prior year	361,812				361,812
Canceled bond proceeds			(1,380,341)		(1,380,341)
Transfers in				724,837	724,837
Transfers out	(537,524)		(187,313)		(724,837)
Total other financing sources and uses	(175,712)	0	(1,567,654)	724,837	(1,018,529)
Net change in fund balances	915,146	(5,254)	(1,543,422)	180,861	(452,669)
Fund balance—July 1	6,590,235	(48,032)	1,543,422	168,285	8,253,910
Fund balance—June 30	\$7,505,381	(53,286)	0	349,146	7,801,241

TOWN OF HAMMONTON SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2012

Total net change in fund balances - governmental funds (from B-2) (\$452,669)

Amounts reported for governmental activities in the statement
of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the period.

Depreciation expense	(1,480,643)	
Capital outlays	<u>436,876</u>	(1,043,767)

Repayment of long term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities 1,205,000

Repayment of capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is reported in the statement of activities. 114,714

Payment of accrued interest on long term debt is an expenditure in the governmental funds, but the payment reduces the liability in the statement of net assets and is not reported in the statement of activities. 20,526

Bond issue costs are reported in the governmental fund as expenditures in the year the bonds are issued. However, on the statement of activities, the costs are amortized over the life of the bonds. (13,551)

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

73,981

Change in net assets of governmental activities (\$95,766)

PROPRIETARY FUNDS

TOWN OF HAMMONTON SCHOOL DISTRICT
Statement of Net Assets
Proprietary Funds
June 30, 2012

	Business-type Activities - Enterprise Funds		
	Food Service	Latchkey Program (Non Major Fund)	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	\$748,744	31,203	779,947
Accounts receivable	7,580		7,580
Other accounts receivable	137	814	951
Inventories	9,632		9,632
Total current assets	<u>766,093</u>	<u>32,017</u>	<u>798,110</u>
Noncurrent assets:			
Furniture, machinery & equipment	593,765	119,467	713,232
Less accumulated depreciation	(446,578)	(9,710)	(456,288)
Total noncurrent assets	<u>147,187</u>	<u>109,757</u>	<u>256,944</u>
Total assets	<u><u>913,280</u></u>	<u><u>141,774</u></u>	<u><u>1,055,054</u></u>
LIABILITIES			
Current liabilities:			
Interfund Accounts Payable	56,089		56,089
Accounts Payable	11,552		11,552
Deferred Revenue	10,524	6,877	17,401
Compensated absences	19,926	2,428	22,354
Total current liabilities	<u>98,091</u>	<u>9,305</u>	<u>107,396</u>
Total liabilities	<u>98,091</u>	<u>9,305</u>	<u>107,396</u>
NET ASSETS			
Invested in capital assets net of related debt	147,187	109,757	256,944
Unrestricted	668,002	22,712	690,714
Total net assets	<u><u>\$815,189</u></u>	<u><u>132,469</u></u>	<u><u>947,658</u></u>

TOWN OF HAMMONTON SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2012

	Business-type Activities - Enterprise Fund		
	Food Service	Latchkey Program (Non Major Fund)	Total Enterprise
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	\$350,968		350,968
Daily sales - non-reimbursable programs	340,017		340,017
Special functions	38,611		38,611
Miscellaneous	1,906		1,906
Latchkey program revenue		95,865	95,865
Total operating revenues	<u>731,502</u>	<u>95,865</u>	<u>827,367</u>
Operating expenses:			
Cost of sales	709,350		709,350
Salaries	416,725	78,518	495,243
Employee benefits	156,114	5,781	161,895
General supplies & materials	58,880	2,737	61,617
Other costs	20,094		20,094
Loss on disposal of asset	2,106		2,106
Depreciation	38,095	1,860	39,955
Total operating expenses	<u>1,401,364</u>	<u>88,896</u>	<u>1,490,260</u>
Operating (loss)	<u>(669,862)</u>	<u>6,969</u>	<u>(662,893)</u>
Nonoperating revenues:			
State sources:			
State school lunch program	15,714		15,714
Federal sources:			
National school lunch program	538,111		538,111
National school breakfast program	107,971		107,971
National school snack program	1,072		1,072
Food distribution program	78,563		78,563
Interest and investment revenue	9,377	1,566	10,943
Total nonoperating revenues	<u>750,808</u>	<u>1,566</u>	<u>752,374</u>
Change in net assets	<u>80,946</u>	<u>8,535</u>	<u>89,481</u>
Total net assets—beginning	<u>734,243</u>	<u>123,934</u>	<u>858,177</u>
Total net assets—ending	<u>\$815,189</u>	<u>132,469</u>	<u>947,658</u>

TOWN OF HAMMONTON SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2012

	Business-type Activities - Enterprise Funds		
	Food Service	Latchkey Program (Non Major Fund)	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$733,646	96,480	830,126
Payments to employees	(569,864)	(97,516)	(667,380)
Payments to suppliers	(738,033)	(2,737)	(740,770)
Net cash provided/(used) by operating activities	(574,251)	(3,773)	(578,024)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash received from state and federal reimbursements	697,098		697,098
Net cash provided by non-capital financing activities	697,098	0	697,098
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	(39,584)	(111,617)	(151,201)
Net cash (used) by capital and related financing activities	(39,584)	(111,617)	(151,201)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	9,377	1,566	10,943
Net cash provided by investing activities	9,377	1,566	10,943
Net increase (decrease) in cash and cash equivalents	92,640	(113,824)	(21,184)
Balances—beginning of year	656,104	145,027	801,131
Balances—end of year	\$748,744	31,203	779,947
Reconciliation of operating income/(loss) to net cash provided/(used) by operating activities:			
Operating income/(loss)	(\$669,862)	\$6,969	(662,893)
Adjustments to reconcile operating income(loss) to net cash provided/(used) by operating activities			
Depreciation and net amortization	38,095	1,860	39,955
Loss on disposal of asset	2,106		2,106
Federal commodities	78,563		78,563
(Increase)/Decrease in accounts receivable, net	212	840	1,052
Decrease in inventories	141		141
(Decrease)/Increase in accounts payable	(28,413)	(125)	(28,538)
(Decrease)/Increase in interfund accounts payable	1,721	(12,866)	(11,145)
(Decrease)/Increase in deferred revenue	1,932	(225)	1,707
(Decrease)/Increase in compensated absences payable	1,254	(226)	1,028
Total adjustments	95,611	(10,742)	84,869
Net cash provided/(used) by operating activities	(\$574,251)	(3,773)	(578,024)

FIDUCIARY FUNDS

TOWN OF HAMMONTON SCHOOL DISTRICT
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2012

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Fund</u>	<u>Agency Fund</u>
ASSETS			
Cash and cash equivalents	\$239,173	74,612	291,966
	<hr/>	<hr/>	<hr/>
Total assets	239,173	74,612	291,966
	<hr/>	<hr/>	<hr/>
LIABILITIES			
Accounts payable	23,289		809
Payable to student groups			271,732
Payroll deductions and withholdings			19,425
	<hr/>	<hr/>	<hr/>
Total liabilities	23,289	0	291,966
	<hr/>	<hr/>	<hr/>
NET ASSETS			
Held in trust for unemployment claims and other purposes	\$215,884	74,612	
	<hr/>	<hr/>	

TOWN OF HAMMONTON SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended June 30, 2012

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Fund</u>
ADDITIONS		
Contributions:		
Plan member	\$45,063	
Transfer in from general fund		
Donations		128
Total Contributions	<u>45,063</u>	<u>128</u>
Investment earnings:		
Interest	3,378	937
Net investment earnings	<u>3,378</u>	<u>937</u>
Total additions	<u>48,441</u>	<u>1,065</u>
DEDUCTIONS		
Unemployment claims	94,886	
Scholarships awarded		5,900
Total deductions	<u>94,886</u>	<u>5,900</u>
Change in net assets	(46,445)	(4,835)
Net assets—beginning of the year	<u>262,329</u>	<u>79,447</u>
Net assets—end of the year	<u><u>\$215,884</u></u>	<u><u>74,612</u></u>

Town of Hammonton School District
Notes to Financial Statements
June 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Hammonton School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

The financial statements of the Board of Education (Board) of the Town of Hammonton School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. Although the District has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the District has chosen not to do so. The more significant accounting policies established in GAAP and used by the District are discussed below.

A. REPORTING ENTITY:

The Town of Hammonton School District is a Type II district located in the County of Atlantic, State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. In addition, one member is appointed from the Folsom School District and the Waterford School District under a sending/receiving relationship, as required by the statutes. The purpose of the district is to educate students in grades K-12 as well as providing educational services for the Borough of Folsom students in grades 9-12 and the Township of Waterford students in grades 7-12. The Town of Hammonton School District had an approximate enrollment at June 30, 2012 of 3,540 students.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is a fiscal dependency by the organization on the District

Based on the aforementioned criteria, the District has no component units.

**Town of Hammonton School District
Notes to Financial Statements
June 30, 2012**

B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS:

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District's general, special revenue, capital projects and debt service activities are classified as governmental activities. The District's food service and latchkey program are classified as business-type activities. Fiduciary funds are excluded from the government-wide financial statements.

In the governmental-wide Statement of Net Assets, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. The District's net assets are reported in three parts-invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions and business-type activities (food service and latchkey). The functions are also supported by general government revenues (property taxes, tuition, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (regular instruction, special education, student & instruction related services, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, tuition, interest income, etc.).

- a. The District does allocate indirect costs such as depreciation expense, compensated absences, bond issues costs, On-behalf TPAF Pension Contributions, and Reimbursed TPAF Social Security Contributions.

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net assets resulting from the current year's activities.

C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the District:

1. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District.

- a. **General fund** is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. **Special revenue** funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for a specific purpose.
- c. **Capital projects** funds are used to account for all financial resources to be used for the acquisition or construction of major capital facilities. The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.
- d. **Debt service** funds are used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

2. Proprietary Funds:

The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the District:

- a. **Enterprise funds** are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designated to recover similar costs.

**Town of Hammonton School District
Notes to Financial Statements
June 30, 2012**

3. Fiduciary Funds:

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support District programs. The reporting focus is on net assets and changes in net assets which are reported using accounting principles similar to proprietary funds.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Non-major funds by category are summarized into a single column. GASBS No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The non-major funds are combined in a column in the fund financial statements.

The District's fiduciary funds are presented in the fiduciary fund financial statements by type (pension, private purpose and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

D. BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual:

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

**Town of Hammonton School District
Notes to Financial Statements
June 30, 2012**

E. FINANCIAL STATEMENT AMOUNTS

1. Cash and Cash Equivalents:

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

For the purpose of determining cash equivalents the District considers all investments with an original maturity of three months or less as cash equivalents.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

NJSA 17:9-41 et. Seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental units.

Town of Hammonton School District
Notes to Financial Statements
June 30, 2012

2. Investments:

Investments, including deferred compensation and pension funds, are stated at fair value, (quoted market price or the best available estimate). Interest earned on investments in the Capital Projects Fund is recognized in the District's Debt Service Fund.

3. Inventories:

Inventories in the general fund consist of expendable supplies held for the District's use and are carried at cost using the first-in, first-out method. Inventories in the enterprise fund are valued at cost, which approximates market, using the first-in, first-out method. As of June 30, 2012, the District did not have inventory in the general fund and had the following inventory in the enterprise fund:

Food	\$	7,252
Supplies		2,380
	\$	<u>9,632</u>

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Act of 1996) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements. The amount of commodity food value on hand included above is \$1,232.

4. Capital Assets:

Capital assets purchased or acquired with an original cost of \$2,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Infrastructure	10-20 years
Buildings	20-50 years
Machinery and equipment	5-10 years
Improvements	10-20 years

GASBS No. 34 requires the District to report and depreciate infrastructure assets. Infrastructure assets include roads, parking lots, underground pipe, etc. Neither their historical cost nor related depreciation has historically been reported in the financial statements.

Town of Hammonton School District
Notes to Financial Statements
June 30, 2012

5. Revenues:

Substantially all governmental fund revenues are accrued. Property taxes are susceptible to accrual and under New Jersey State Statutes a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. In the proprietary funds, operating revenues consist of revenues that are a direct result of the operations of the program. Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as non operating revenue based on GASBS No. 33. In applying GASBS No. 33 to grant revenues, the provider recognizes liabilities and expenses and recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.

6. Expenditures:

Expenses are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than in the period purchased.

7. Compensated absences:

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as expenditure and fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absences liability is reported in the District-wide Financial Statements as a Governmental Activity.

In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

Town of Hammonton School District
Notes to Financial Statements
June 30, 2012

8. Interfund Activity:

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related costs as reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

9. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23-2(g). The Board of Education did not make any material supplemental budgetary appropriations during the fiscal year. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. However, any transfer that cumulatively exceeds ten percent of the advertised budget category must receive the approval of the County Superintendent of Schools. The following material transfers were made to/(from) budgetary line items:

<u>Account Name</u>	<u>Amount</u>
Regular Programs – Salaries of Teachers Preschool	(106,000)
Regular Programs – Salaries of Teachers Kindergarten	(192,100)
Regular Programs –Salaries of Teachers 1-5	(197,306)
Regular Programs - General Supplies	303,756
Regular Programs – Textbooks	223,201
Special Education – Multiple Disabilities – Salaries of Teachers	168,552
Special Education – Multiple Disabilities – Other Salaries for Instruction	107,400
Special Education – Resource Room – Salaries of Teachers	(113,400)
Special Education – Autism – Other Salaries of Instruction	(132,361)
Bilingual Education – Salaries of Teachers	159,900
Tuition to CSSD & Regional Day Schools	(178,537)

Town of Hammonton School District
Notes to Financial Statements
June 30, 2012

Tuition to Private Schools for the Disabled – Within State	152,439
Related Services – Purchased Professional-Educational Services	156,000
Extraordinary Services - Salaries	103,420
Extraordinary Services – Purchased Professional Educational Services	194,900
Support Services – Regular – Salaries of Other Professional Staff	124,341
Required Maintenance – Cleaning, Repair and Maintenance Services	281,900
Operation and Maintenance – Energy (Natural Gas)	(101,500)
Care and Upkeep of Grounds – Cleaning, Repair and Maintenance Services	135,300
Unallocated Benefits – Unemployment	(315,627)
Unallocated Benefits – Health Benefits	(441,140)
Equipment – Admin. Information Technology	142,024
Equipment - Custodial	231,337

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

Town of Hammonton School District
Notes to Financial Statements
June 30, 2012

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 43,416,199	2,585,275
Difference – budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year		14,542
Current Year		(5,881)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	1,038,188	48,032
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(1,167,476)</u>	<u>(53,286)</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances – governmental funds	<u>\$ 43,286,911</u>	<u>2,588,682</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 42,196,053	2,585,275
Differences – budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Prior Year		14,542
Current Year		<u>(5,881)</u>
Total Expenditures as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds	<u>\$ 42,196,053</u>	<u>2,593,936</u>

Town of Hammonton School District
Notes to Financial Statements
June 30, 2012

10. Encumbrances:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds, other than the special revenue fund, are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund, for which the District has received advances, are reflected in the balance sheet as deferred revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

11. Tuition Receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

12. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those results.

13. Allocation of Costs

In the government-wide statement of activities, the District has allocated unallocated benefits to various programs based on the actual salary and tuition expenditures by program.

F. RECENT ACCOUNTING PRONOUNCEMENTS

In July 2004, the Governmental Accounting Standards Board (GASB) adopted Statement No. 45, "Accounting and Financial Reporting by Employers for Post Employment Benefits other than Pensions." This statement will become effective for entities on a phased in basis beginning with fiscal years beginning after December 15, 2006. The effective date for this entity is the fiscal year beginning July 1, 2008. This statement will require governmental entities to report the future cost of other post employment benefits (OPEB) on a present value basis instead of the present "pay as you go" method. The impact on the financial position or results of operations can not be readily determined at this time.

NOTE 2. - INVESTMENTS

As of June 30, 2012, the district had no investments.

Town of Hammonton School District
Notes to Financial Statements
June 30, 2012

Interest Rate Risk. The district does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 18A:20-37 limits the length of time for most investments to 397 days.

Credit Risk. New Jersey Statutes 18A:20-37 limits district investments to those specified in the Statutes. The type of allowable investments are Bonds of the United States of America or of the district or the local units in which the district is located; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk. The district places no limit on the amount the district may invest in any one issuer.

NOTE 3. – CASH

Custodial Credit Risk—Deposits. Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The district's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2012, the School District's bank balance of \$9,552,910 was insured or collateralized as follows:

Insured	261,814
Uninsured and collateralized with Securities held by pledging financial institutions	9,291,096
Bank balance, June 30, 2012	<u><u>\$9,552,910</u></u>

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Town of Hammonton Board of Education in a prior year, which was certified for taxes, for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a

Town of Hammonton School District
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special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to NJAC 6:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2011 to June 30, 2012 fiscal year is as follows:

Beginning balance, July 1, 2011	\$4,442,426
Interest Earnings	53,058
Deposits – Board Resolution June 14, 2012	1,772,000
Budgeted Withdrawal	(614,625)
Ending balance, June 30, 2012	<u>5,652,859</u>

The 2012-2013 Budget includes a withdrawal from the Capital Reserve Account in the amount of \$518,913.

NOTE 5. EMERGENCY RESERVE

New Jersey Statute 18A:7F-41(c) permits school districts to establish a current expense emergency reserve in the general fund with deposits made to the account with voter approval, beginning in the fiscal year 2008 budget process, or at year end by board resolution. This reserve account is to be used to finance future unanticipated (reasonably unforeseeable) general fund expenditures required for a thorough and efficient education. The emergency reserve balance cannot exceed \$250,000 or one percent of the district's general fund budget (which amounts to \$400,948 for the 2012 fiscal year) up to a maximum of \$1 million, whichever is greater. Withdrawals require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health costs greater than four percent.

The activity in the emergency reserve for the 2012 fiscal year is as follows:

Beginning balance, July 1, 2011	\$ 308,410
Interest Earnings	5,194
Ending balance, June 30, 2012	<u>\$ 313,604</u>

NOTE 6. MAINTENANCE RESERVE

New Jersey Statute 18A:7G-9 permits school districts to accumulate funds for the required maintenance of a facility in accordance with EFCFA. The balance may only be increased through an appropriation in the annual general fund budget certified for taxes. Upon completion of a school facilities projects, districts are required to submit a plan for maintenance of that facility.

Town of Hammonton School District
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The activity in the maintenance reserve for the 2012 fiscal year is as follows:

Beginning balance, July 1, 2011	\$ 820,759
Interest Earnings	11,085
Withdrawal – Board Resolution July 14, 2011	(79,163)
Ending balance, June 30, 2012	<u>752,654</u>

The 2012-2013 Budget includes a withdrawal from the Maintenance Reserve Account in the amount of \$100,000.

NOTE 7. TUITION RESERVE 2009-2010

New Jersey Statute permits school districts to accumulate funds for tuition adjustments. The district shall make full appropriation of the reserve for tuition adjustments in the second year following the contract year.

The activity in the tuition reserve for the 2012 fiscal year is as follows:

Beginning balance, July 1, 2011	\$ 500,000
Budget Appropriation	500,000
Ending balance, June 30, 2012	<u>\$ 0</u>

NOTE 8. TUITION RESERVE 2010-2011

New Jersey Statute permits school districts to accumulate funds for tuition adjustments. The district shall make full appropriation of the reserve for tuition adjustments in the second year following the contract year.

The activity in the tuition reserve for the 2012 fiscal year is as follows:

Beginning balance, July 1, 2011	\$ 500,000
Budget Appropriation	0
Ending balance, June 30, 2012	<u>\$ 500,000</u>

The 2012-2013 Budget includes a withdrawal from the Tuition Reserve Account in the amount of \$500,000.

NOTE 9. TUITION RESERVE 2011-2012

New Jersey Statute permits school districts to accumulate funds for tuition adjustments. The district shall make full appropriation of the reserve for tuition adjustments in the second year following the contract year.

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Notes to Financial Statements
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The activity in the tuition reserve for the 2012 fiscal year is as follows:

Beginning balance, July 1, 2011	\$ 0
Board Resolution, dated June 14, 2012	800,000
Ending balance, June 30, 2012	<u>\$ 800,000</u>

NOTE 10. FIXED ASSETS

Capital asset activity for the year ended June 30, 2012 was as follows:

	<u>Balance</u> <u>June 30, 2011</u>	<u>Additions</u>	<u>Disposals /</u> <u>Adjustments</u>	<u>Balance</u> <u>June 30, 2012</u>
Governmental Activities:				
Capital assets that are not being depreciated:				
Land	\$ 324,908			324,908
Construction in Progress	12,341,919		12,341,919	0
Total capital assets not being depreciated	<u>12,666,827</u>		<u>12,341,919</u>	<u>324,908</u>
Site improvements	3,088,791	264,881		3,353,672
Bldg and bldg improve	40,048,515	12,202,511		52,251,026
Machinery & equipment	5,058,589	311,403		5,369,992
Total at historical cost	<u>48,195,895</u>	<u>12,778,795</u>		<u>60,974,690</u>
Less accum depr for:				
Site improvements	(1,998,512)	(138,651)		(2,137,163)
Bldg and bldg improve	(14,928,267)	(1,118,713)		(16,046,980)
Machinery & equipment	(3,596,613)	(223,279)		(3,819,892)
Total accum deprec	<u>(20,523,392)</u>	<u>(1,480,643)</u>		<u>(22,004,035)</u>
Total capital assets being depr, net of accum depr	<u>27,672,503</u>	<u>11,298,152</u>		<u>38,970,655</u>
Governmental activities capital assets, net	<u>40,339,330</u>	<u>11,298,152</u>	<u>(12,341,919)</u>	<u>39,295,563</u>
Business-type activities:				
Equipment	596,644	151,201	(34,613)	713,232
Less accum depr for:				
Equipment	<u>(448,840)</u>	<u>(39,955)</u>	<u>32,507</u>	<u>(456,288)</u>
Business-type activities capital assets, net	<u>\$ 147,804</u>	<u>111,246</u>	<u>(2,106)</u>	<u>256,944</u>

Town of Hammonton School District
Notes to Financial Statements
June 30, 2012

Depreciation expense as charged to governmental functions as follows:

Regular instruction	\$813,049
Special education	144,366
Other instruction	52,089
Tuition	55,330
Student & instruction related services	147,452
School administrative services	98,190
General administrative services	15,824
Plant operations and maintenance	75,817
Pupil transportation	46,926
Business and other support services	31,600
	<u>\$ 1,480,643</u>

NOTE 11. GENERAL LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2012 was as follows:

	Balance			Balance	Amounts
	6-30-11	Issued	Retired	6-30-12	Due Within
					One year
Governmental Activities					
Bonds & loans payable:					
School bonds	\$ 32,544,000		1,205,000	31,339,000	1,235,000
Obligations under capital					
Leases	<u>353,143</u>		<u>114,714</u>	<u>238,429</u>	<u>91,945</u>
Other liabilities:					
Compensated absences					
Payable	<u>2,873,709</u>		<u>73,981</u>	<u>2,799,728</u>	<u>84,275</u>
Governmental activities long-term liabilities	<u>35,770,852</u>	<u>0</u>	<u>1,393,695</u>	<u>34,377,157</u>	<u>1,411,220</u>
Business-type Activities:					
Other liabilities:					
Compensated absences					
Payable	<u>21,326</u>	<u>1,028</u>		<u>22,354</u>	<u>0</u>
Business-type activities long-term liabilities	<u>\$ 21,326</u>	<u>1,028</u>	<u>0</u>	<u>22,354</u>	<u>0</u>

Town of Hammonton School District
Notes to Financial Statements
June 30, 2012

A. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

Long-term debt as of June 30, 2012 consisted of the following:

\$21,611,000 School Bonds dated 10/15/2001 payable in annual installments through August 1, 2012. Interest is paid semiannually at a fixed rate of 4.75% per annum. The balance as of June 30, 2012 was \$0. \$7,385,000 of these bonds were refunded on 9/19/06. The net present value savings amounted to \$426,798. \$10,890,000 of these bonds were refunded on 3/23/10. The net present value savings amounted to \$449,777.

\$10,890,000 School Bonds dated 3/23/2011 payable in annual installments through August 1, 2025. Interest is paid semiannually at varying rates between 2.00% and 5.00% per annum. The balance as of June 30, 2012 was \$10,735,000.

\$7,385,000 School Bonds dated 9/19/2006 payable in annual installments through August 1, 2030. Interest is paid semiannually at varying rates between 3.00% and 4.20% per annum. The balance as of June 30, 2012 was \$7,345,000.

\$2,614,000 School Bonds dated 4/15/2006 payable in annual installments through July 15, 2021. Interest is paid semiannually at varying rates between 4.25% and 4.30% per annum. The balance as of June 30, 2012 was \$1,909,000.

\$11,800,000 School Bonds dated 6/24/2011 payable in annual installments through July 1, 2030. Interest is paid semiannually at varying rates between 3.25% and 4.125% per annum. The balance as of June 30, 2012 was \$11,350,000.

Principal and interest due on serial bonds outstanding is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30,			
2013	1,235,000	1,222,267	2,457,267
2014	1,310,000	1,186,941	2,496,941
2015	1,330,000	1,150,211	2,480,211
2016	1,365,000	1,102,860	2,467,860
2017	1,455,000	1,042,666	2,497,666
2018-2022	8,054,000	4,228,886	12,282,886
2023-2027	8,385,000	2,599,040	10,984,040
2028-2031	8,205,000	700,869	8,905,869
	<u>\$ 31,339,000</u>	<u>13,233,740</u>	<u>44,572,740</u>

Town of Hammonton School District
Notes to Financial Statements
June 30, 2012

B. Bonds Authorized But Not Issued:

As of June 30, 2012 the Board had authorized but not issued bonds in the amount of \$0.

C. Capital Leases Payable:

The District is leasing equipment and copiers totaling \$238,429 under capital leases. Semiannual lease payments are made to TD Bank and DLL, and include interest at a rate of 4.15% to 5.472% per annum. Assets acquired under the leases are included in the general fixed assets of the District; but the District has not segregated those assets or the related depreciation expense. The following is a schedule of the future minimum lease payments under these capital leases and the net minimum lease payments at June 30, 2012.

Year ending June 30,	Principal	Interest	Total
2013	\$ 91,945	10,513	102,458
2014	96,167	6,290	102,457
2015	50,317	1,872	52,189
Total	<u>\$ 238,429</u>	<u>18,675</u>	<u>257,104</u>

NOTE 12. PENSION PLANS

Description of Plans

A substantial number of the School District's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund and the Public Employees' Retirement System, which are administered by the New Jersey Division of Pensions and Benefits. In addition, several School District employees participate in the Defined Contribution Retirement Program, which is a defined contribution plan. This too is administered by the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes the financial statements and required supplementary information. That report may be obtained by writing to: State of New Jersey, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Teachers' Pension and Annuity Fund

The Teachers' Pension and Annuity Fund (TPAF) is a cost-sharing contributory defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. The TPAF provides retirement, death and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 18A:66.

The contribution requirements of plan members are determined by State statute. In accordance with Chapters 113, 114 and 115, P.L. 1997, plan members enrolled in the TPAF were required to

Town of Hammonton School District
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June 30, 2012

contribute 5% of their annual covered salary. Effective July 1, 2007, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. For employees who were enrolled in the retirement system prior to July 1, 2007, the increase was effective with the payroll period that began immediately after July 1, 2007. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the district has been required over several preceding fiscal years.

Public Employees' Retirement System

The Public Employees' Retirement System (PERS) is a cost-sharing contributory defined benefit pension plan which was established as of January 1, 1955. The PERS provides retirement, death and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the PERS were required to contribute 5% of their annual covered salary. Effective July 1, 2007, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. For employees who were enrolled in the retirement system prior to July 1, 2007, the increase was effective with the payroll period that began immediately after July 1, 2007. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The School District is billed annually for its normal contribution plus any accrued liability.

Three-Year Trend Information for PERS

<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>Of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/12	520,781	100	0
6/30/11	502,109	100	0
6/30/10	375,426	100	0

Town of Hammonton School District
Notes to Financial Statements
June 30, 2012

Three-Year Trend Information for TPAF (Paid on-behalf of the District)

<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>Of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/12	1,850,529	100	0
6/30/11	1,297,257	100	0
6/30/10	1,159,683	100	0

During the fiscal years ended June 30, 2012, 2011 and 2010, the State of New Jersey contributed \$1,850,529, \$1,297,257 and \$1,159,683 respectively, to the TPAF for post-retirement medical benefits on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$1,587,393, \$1,431,112 and \$1,476,105 during the same fiscal years for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts, which are not required to be budgeted, have been included in the financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance in GASB 27.

The Board's total payroll for the years ended June 30, 2012, 2011 and 2010 was \$25,630,104 \$25,438,460 and \$26,760,288 and covered payroll was \$18,322,168, \$18,688,353 and \$19,074,803 for TPAF; and \$4,440,295 \$4,398,336 and \$4,595,183 for PERS.

NOTE 13. POST-RETIREMENT BENEFITS

P.L. 1987, c.384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2011, there were 93,323 retirees receiving post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$144 million toward Chapter 126 benefits for 15,709 eligible retired members in Fiscal Year 2011.

NOTE 14. DEFERRED COMPENSATION

The Board offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below,

Town of Hammonton School District
Notes to Financial Statements
June 30, 2012

permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Ameriprise Financial
American Century Services
ASpire Financial Services
TPAF Supplemental Annuity
Putnam Funds
Lincoln Investment Planning
Syracusa Benefits Program
Vanguard Investments
AXA Equitable Life Insurance Company
Great American Financial Resources

NOTE 15. COMPENSATED ABSENCES

The District accounts for compensated absences (e.g. sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. Sick leave benefits provide for ordinary sick pay and is capped based on the various employee contracts.

In the district-wide Statement of Net Assets, the liabilities whose average maturities are greater than one year should be reported in two components – the amount due within one year and the amount due in more than one year.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2012, a liability existed for compensated absences in the Food Service Program and the Latchkey Program in the amounts of \$19,926 and \$2,428, respectively.

NOTE 16. DEFICIT FUND BALANCES

The District has a deficit fund balance of \$709,662 in the General Fund and \$53,286 in the Special Revenue Fund as of June 30, 2012 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue,

Town of Hammonton School District
Notes to Financial Statements
June 30, 2012

expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last state aid payment in the subsequent fiscal year, the school district can not recognize the last state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the last state aid payment, the Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of correction action. The District deficit in the GAAP funds statement of \$719,662 in the General Fund and \$53,286 in the Special revenue fund is equal to or less than the last state payment(s).

NOTE 17. FUND BALANCES

Committed

General Fund – As of June 30, 2012, \$195,926 is for year-end encumbrances.

Restricted

General Fund – As of June 30, 2012, \$5,652,859 has been reserved in the Capital Reserve Account of which \$518,913 has been appropriated and included as anticipated revenue for the year ended June 30, 2013; \$752,954 has been reserved in the Maintenance Reserve Account of which \$100,000 has been appropriated and included as anticipated revenue for the year ended June 30, 2013; \$313,604 has been reserved in the Emergency Reserve Account; \$500,000 has been reserved in the 2010/2011 Tuition Reserve Account designated for subsequent year's expenditures; and \$800,000 has been reserved in the 2011-2012 Tuition Reserve Account.

Capital Projects Fund – On June 24, 2010, the School District issued \$11,800,000 of general obligation bonds. The bonds were authorized by a proposal adopted by the Board and approved by the voters of the school district at a special election held on December 9, 2008. The bond issue was approved by the voters for renovations to the Warren E. Sooy Elementary School. As of June 30, 2012, all authorized but not issued bonds and unspent appropriations were canceled and the legally restricted amount was \$0.

Debt Service Fund – As of June 30, 2012, \$349,146 has been legally restricted for future debt service payments of which \$161,833 has been appropriated and included as anticipated revenue for the year ended June 30, 2013.

Town of Hammonton School District
Notes to Financial Statements
June 30, 2012

Unassigned

General Fund – As of June 30, 2012, the unassigned fund balance of the general fund was a deficit of \$709,662. The deficit is a result from the delay in the payment of state aid until the following fiscal year.

Special Revenue Fund – As of June 30, 2012, the fund balance of the special revenue fund was a deficit of \$53,286. The deficit is a result from the delay in the payment of state aid until the following fiscal year.

NOTE 18. CALCULATION OF EXCESS SURPLUS

In accordance with NJSA 18A:7F-7, as amended, the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2012 is \$0.

NOTE 19. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance – The District maintains commercial insurance coverage for property, liability and surety bonds. During the fiscal year ended June 30, 2012 the District did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

New Jersey Unemployment Compensation Insurance – The District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending (deficit) balance of the District's expendable trust fund for the current and prior two years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2011-2012	\$0	45,063	3,378	(94,886)	215,884
2010-2011	50,000	47,219	4,448	(237,557)	262,329
2009-2010	258,919	64,911	1,613	(75,060)	398,219

Town of Hammonton School District
Notes to Financial Statements
June 30, 2012

NOTE 20. ECONOMIC DEPENDENCY

The District is heavily reliant on local property taxation to fund the District operations and debt service. Property taxes funded 37.03% of the Districts 2011-2012 governmental operations.

NOTE 21. DEFERRED BOND ISSUE COSTS

The costs associated with the issues of various bonds are expensed in the governmental funds in the year the bonds are issued, but are capitalized in the Statement of Net Assets. The bond issuance costs are \$248,962 and the accumulated amortization is \$48,276 resulting in an unamortized balance of \$200,686.

NOTE 22. RESTATEMENT OF BALANCES

Certain accounts have been restated in the prior year to conform to categories established in the current year. The amounts are immaterial to the financial statements.

NOTE 23. INTERFUND RECEIVABLES AND PAYABLES

The following Interfund balances remained on the balance sheet at June 30, 2012:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 769,877	
Special Revenue Fund		\$ 713,788
Food Service Fund		56,089
	<hr/>	<hr/>
	\$ <u>769,877</u>	\$ <u>769,877</u>

NOTE 24. FOOD SERVICE ENTERPRISE FUND

Approximately \$50,000 will be needed from the Food Service Enterprise Fund to replace cafeteria equipment for the 2012-2013 school year.

Required Supplementary Information
Part II

TOWN OF HAMMONTON SCHOOL DISTRICT

Exhibit C-1

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$15,868,258	0	15,868,258	15,868,258	0
Tuition	10,689,544	0	10,689,544	10,763,744	74,200
Transportation Fees from Other LEA's	200,000	0	200,000	65,528	(134,472)
Interest earned on Capital Reserves	1,000	0	1,000	53,058	52,058
Interest earned	2,000	0	2,000	67,393	65,393
Miscellaneous	10,000	0	10,000	169,439	159,439
Total - Local Sources	26,770,802	0	26,770,802	26,987,420	216,618
State Sources:					
Equalization Aid	10,422,461	409,005	10,831,466	10,831,466	0
Categorical Special Education Aid	1,263,188		1,263,188	1,263,188	0
Special Education Extraordinary Aid	99,363		99,363	143,426	44,063
Public School Choice Aid		305,424	305,424	305,424	0
Non Public Transportation Aid				5,046	5,046
Anti-Bullying Aid				1,088	1,088
On-behalf TPAF Non-Contributory Insurance				614,741	614,741
On-Behalf TPAF Pension Contributions-Post Retirement					
Medical Contributions (non-budgeted)				1,235,788	1,235,788
Reimbursed TPAF Social Security Contributions (non-budgeted)				1,587,393	1,587,393
Total - State Sources	11,785,012	714,429	12,499,441	15,987,560	3,488,119
Federal Sources:					
Medicaid Reimbursement and unrestricted federal funds	59,245		59,245	58,549	(696)
Education Jobs Fund	365,132	17,538	382,670	382,670	0
	424,377	17,538	441,915	441,219	(696)
Total Revenues	38,980,191	731,967	39,712,158	43,416,199	3,704,041

TOWN OF HAMMONTON SCHOOL DISTRICT

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2012

Exhibit C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool	106,109	(106,000)	109	0	109
Kindergarten	796,456	(192,100)	604,356	574,333	30,023
Grades 1-5	3,573,589	(197,306)	3,376,283	3,357,073	19,210
Grades 6-8	3,215,091	(43,000)	3,172,091	3,155,320	16,771
Grades 9-12	5,320,519	(83,592)	5,236,927	5,236,330	597
Regular Programs - Home Instruction:					
Salaries of Teachers	58,000	60,000	118,000	91,491	26,509
Purchased Professional-Educational Services	48,000	54,000	102,000	78,679	23,321
Regular Programs - Undistributed Instruction:					
Purchased Professional-Educational Services	950	19,829	20,779	17,864	2,915
Purchased Technical Services	3,000	18,245	21,245	21,090	155
Other Purchased Services	1,200	12,000	13,200	11,900	1,300
General Supplies	599,248	303,756	903,004	890,532	12,472
Textbooks	92,500	223,201	315,701	307,581	8,120
Other Objects	11,600	500	12,100	8,456	3,644
Total Regular Programs	13,826,262	69,533	13,895,795	13,750,649	145,146
Special Education - Instruction:					
Learning and/or Language Disabilities					
Salaries of Teachers	220,746	(97,900)	122,846	122,250	596
Other Salaries for Instruction	45,632	27,723	73,355	73,355	0
Total Learning and/or Language Disabilities	266,378	(70,177)	196,201	195,605	596
Behavioral Disabilities					
Salaries of Teachers	358,429	24,500	382,929	370,000	12,929
Other Salaries for Instruction	65,277	56,723	122,000	121,999	1
General Supplies	4,270	(1,402)	2,868	1,517	1,351
Other Objects	800	502	1,302	470	832
Total Behavioral Disabilities	428,776	80,323	509,099	493,986	15,113
Multiple Disabilities					
Salaries of Teachers	123,067	168,552	291,619	291,619	0
Other Salaries for Instruction	105,008	107,400	212,408	201,386	11,022
General Supplies	8,700	3,407	12,107	9,399	2,708
Textbooks	1,700	600	2,300	903	1,397
Other Objects		643	643	643	0
Total Multiple Disabilities	238,475	280,602	519,077	503,950	15,127

(continued)

TOWN OF HAMMONTON SCHOOL DISTRICT

Exhibit C-1

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Resource Room/Resource Center					
Salaries of Teachers	1,466,113	(113,400)	1,352,713	1,339,177	13,536
Other Salaries for Instruction	123,088	(56,000)	67,088	42,793	24,295
General Supplies	10,100	(600)	9,500	4,653	4,847
Textbooks	2,500	0	2,500	453	2,047
Total Resource Room/Resource Center	1,601,801	(170,000)	1,431,801	1,387,076	44,725
Autism					
Salaries of Teachers	95,742	38,800	134,542	133,509	1,033
Other Salaries for Instruction	271,217	(132,361)	138,856	138,855	1
General Supplies	5,800	4,240	10,040	6,710	3,330
Textbooks	500	0	500	0	500
Total Autism	373,259	(89,321)	283,938	279,074	4,864
Preschool Disabilities - Part-Time					
Salaries of Teachers	9,000	72,524	81,524	81,524	0
Other Salaries for Instruction	45,837	5,800	51,637	50,226	1,411
General Supplies	1,000	0	1,000	25	975
Total Preschool Disabilities - Part-Time	55,837	78,324	134,161	131,775	2,386
Total Special Education - Instruction	2,964,526	109,751	3,074,277	2,991,466	82,811
Bilingual Education - Instruction:					
Salaries of Teachers	279,382	159,900	439,282	438,195	1,087
Other Salaries for Instruction	68,485	(25,675)	42,810	19,940	22,870
General Supplies	5,600	0	5,600	3,852	1,748
Total Bilingual Education - Instruction	353,467	134,225	487,692	461,987	25,705
School Sponsored Cocurricular Activities - Instruction:					
Salaries	102,461	74,000	176,461	175,837	624
Purchased Services	5,700	13,444	19,144	18,483	661
Supplies and Materials	45,400	(35,100)	10,300	7,247	3,053
Other Objects	16,100	(14,300)	1,800	1,375	425
Total School Sponsored Cocurricular Activities - Instruction	169,661	38,044	207,705	202,942	4,763
School-Sponsored Athletics - Instruction					
Salaries	202,500	33,651	236,151	236,151	0
Purchased Services	12,500	4,840	17,340	17,197	143
Supplies and Materials	117,500	(78,775)	38,725	38,017	708
Other Objects		2,775	2,775	2,775	0
Transfers to Cover Deficit (Agency Funds)		75,000	75,000	75,000	0
Total School-Sponsored Athletics - Instruction	332,500	37,491	369,991	369,140	851
Total Instruction	17,646,416	389,044	18,035,460	17,776,184	259,276

(continued)

TOWN OF HAMMONTON SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012

Exhibit C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	15,000	(3,403)	11,597	0	11,597
Tuition to Other LEAs Within the State - Special		0		0	0
Tuition to Co. Voc. School District - Regular	152,709	890	153,599	153,599	0
Tuition to CSSD & Regional Day Schools	515,561	(178,537)	337,024	296,951	40,073
Tuition to Private Schools for the Disabled - Within State	300,000	152,439	452,439	433,853	18,586
Tuition - State Facilities	22,771	0	22,771	22,771	0
Total Undistributed Expenditures - Instruction	1,006,041	(28,611)	977,430	907,174	70,256
Undistributed Expenditures - Attendance and Social Work:					
Salaries	73,943	0	73,943	70,940	3,003
Purchased Professional & Technical Services	30,000	1,034	31,034	31,034	0
Other Purchased Services	5,000	(3,034)	1,966	0	1,966
Supplies and Materials	2,500	0	2,500	900	1,600
Total Undistributed Expenditures - Attendance and Social Work	111,443	(2,000)	109,443	102,874	6,569
Undistributed Expenditures - Health Services:					
Salaries	226,973	(38,600)	188,373	179,143	9,230
Purchased Professional and Technical Services	26,400	5,575	31,975	28,897	3,078
Other Purchased Services	775	600	1,375	901	474
Supplies and Materials	13,925	(2,075)	11,850	10,560	1,290
Total Undistributed Expenditures - Health Services	268,073	(34,500)	233,573	219,501	14,072
Undistributed Expenditures - Other Support Services - Students - Related Services:					
Salaries	172,343	(50,826)	121,517	117,692	3,825
Purchased Professional-Educational Services	40,000	156,000	196,000	186,187	9,813
Supplies and Materials		360	360	300	60
Total Undistributed Expenditures - Other Support Services - Students - Related Services	212,343	105,534	317,877	304,179	13,698
Undistributed Expenditures - Other Support Services - Students - Extraordinary Services:					
Salaries	313,425	103,420	416,845	416,845	0
Purchased Professional Educational Services	73,000	194,900	267,900	234,712	33,188
Supplies and Materials	6,000	(2,500)	3,500	948	2,552
Other Objects	1,360	(1,360)	0	0	0
Total Undistributed Expenditures - Other Support Services - Students - Extraordinary Services:	393,785	294,460	688,245	652,505	35,740

(continued)

TOWN OF HAMMONTON SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012

Exhibit C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Other Support Services -					
Students - Regular					
Salaries of Other Professional Staff	557,567	124,341	681,908	681,908	0
Salaries of Secretarial and Clerical Assistants	149,584	(3,150)	146,434	146,434	0
Purchased Professional Educational Services		800	800	200	600
Other Purchased Professional & Technical Services	1,725	0	1,725	1,267	458
Other Purchased Services	1,270	5,000	6,270	4,560	1,710
Supplies and Materials	31,750	310	32,060	21,792	10,268
Total Undistributed Expenditures - Other Support Services - Regular	741,896	127,301	869,197	856,161	13,036
Undistributed Expenditures - Other Support Services -					
Students - Special:					
Salaries of Other Professional Staff	942,042	23,600	965,642	947,057	18,585
Salaries of Secretarial and Clerical Assistants	91,679	(3,000)	88,679	83,198	5,481
Purchased Professional Educational Services	100,000	24,600	124,600	122,531	2,069
Other Purchased Professional and Technical Services	39,700	(26,100)	13,600	10,762	2,838
Miscellaneous Purchased Services	300	2,500	2,800	2,291	509
Supplies and Materials	21,125	(2,500)	18,625	15,211	3,414
Other Objects	975	0	975	350	625
Total Undistributed Expenditures - Other Support Services - Students - Special	1,195,821	19,100	1,214,921	1,181,400	33,521
Undistributed Expenditures - Other Support Services -					
Improvement of Instructional Services					
Other Salaries		41,790	41,790	41,790	0
Purchased Professional Educational Services		556	556	556	0
Supplies and Materials	6,300	(6,000)	300	0	300
Total Undistributed Expenditures - Other Support Services - Improvement of Instructional Services	6,300	36,346	42,646	42,346	300
Undistributed Expenditures - Educational Media Services -					
School Library					
Salaries	150,022	0	150,022	149,443	579
Purchased Professional & Technical Services	16,000	(12,109)	3,891	3,800	91
Supplies and Materials	43,200	(6,260)	36,940	28,318	8,622
Other Objects	6,500	9,797	16,297	15,997	300
Total Undistributed Expenditures - Educational Media Services - School Library	215,722	(8,572)	207,150	197,558	9,592
Undistributed Expenditures - Instructional Staff Training Services					
Salaries of Supervisors of Instruction	581,998	97,700	679,698	678,365	1,333
Salaries of Secretarial and Clerical Assistants	43,993	1,306	45,299	45,298	1
Other Salaries		9,424	9,424	7,895	1,529
Purchased Professional-Educational Services	3,500	(2,600)	900	899	1
Other Purchased Services		36,995	36,995	32,645	4,350
Supplies and Materials	700	5,700	6,400	5,725	675
Other Objects	800	(675)	125	0	125
Total Undistributed Expenditures - Instructional Staff Training Svc	630,991	147,850	778,841	770,827	8,014

(continued)

TOWN OF HAMMONTON SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012

Exhibit C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Support Services - Gen. Admin.:					
Salaries	265,242	0	265,242	259,441	5,801
Legal Services	260,000	(61,257)	198,743	113,036	85,707
Audit Fees	20,000	0	20,000	17,280	2,720
Architectural/Engineering Services	35,000	(16,000)	19,000	9,500	9,500
Other Purchased Professional Services	8,200	(1,237)	6,963	6,963	0
Communications/Telephone	121,943	9,700	131,643	120,537	11,106
BOE Other Purchased Services	1,100	(800)	300	0	300
Other Purchased Services	93,000	19,843	112,843	111,127	1,716
General Supplies	4,300	7,913	12,213	10,131	2,082
BOE IN-House Training/Meeting Supplies		325	325	287	38
Judgments Against School District		10,000	10,000	10,000	0
Miscellaneous Expenditures	12,200	(6,243)	5,957	5,847	110
Membership Dues and Fees	24,000	(4,000)	20,000	19,401	599
Total Undistributed Expenditures - Support Services - Gen. Admin.	844,985	(41,756)	803,229	683,550	119,679
Undistributed Expenditures - Support Serv. - School Admin.:					
Salaries of Principals/Assistant Principals	995,045	1,000	996,045	995,521	524
Salaries of Other Professional Staff		80,000	80,000	38,950	41,050
Salaries of Secretarial and Clerical Assistants	536,042	(1,000)	535,042	487,283	47,759
Purchased Professional and Technical Services	25,000	(3,000)	22,000	39	21,961
Other Purchased Services	124,650	(37,200)	87,450	60,434	27,016
Supplies and Materials	51,300	6,100	57,400	49,246	8,154
Other Objects	12,450	1,200	13,650	11,044	2,606
Total Undistributed Expenditures - Support Serv. - School Admin.	1,744,487	47,100	1,791,587	1,642,517	149,070
Undistributed Expenditures - Central Services					
Salaries	300,677	30,000	330,677	330,082	595
Purchased Professional Services	25,000	1,000	26,000	24,094	1,906
Purchased Technical Services	20,000	11,690	31,690	30,313	1,377
Misc. Purchased Services (400-500 series)	7,000	2,794	9,794	9,092	702
Supplies and Materials	38,000	(12,700)	25,300	22,846	2,454
Interest on Lease Purchased Agreements	28,800	(28,090)	710	0	710
Miscellaneous Expenditures	3,000	(300)	2,700	2,030	670
Total Undistributed Expenditures - Central Services	422,477	4,394	426,871	418,457	8,414

(continued)

TOWN OF HAMMONTON SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012

Exhibit C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Admin. Info Technology					
Salaries	183,741	6,000	189,741	188,023	1,718
Purchased Technical Services	59,600	(5,000)	54,600	53,604	996
Other Purchased Services (400-500 series)	20,000	0	20,000	8,310	11,690
Supplies and Materials	160,453	(51,380)	109,073	47,334	61,739
Total Undistributed Expenditures - Admin. Info Technology	423,794	(50,380)	373,414	297,271	76,143
Undistributed Expenditures - Required Maint for School Facilities					
Interest Earned on Maintenance Reserve	1,000	0	1,000		1,000
Salaries	213,965	14,267	228,232	220,792	7,440
Cleaning, Repair, and Maintenance Services	142,900	281,900	424,800	326,607	98,193
General Supplies	46,300	43,807	90,107	66,039	24,068
Other Objects		200	200	200	0
Total Undistributed Expenditures - Required Maint for School Facilities	404,165	340,174	744,339	613,638	130,701
Undistributed Expenditures - Operation and Maintenance of Plant Services:					
Salaries	628,588	34,246	662,834	646,579	16,255
Salaries of Non-Instructional Aides	173,068	5,000	178,068	173,975	4,093
Purchased Professional and Technical Services	3,400	(2,100)	1,300	0	1,300
Cleaning, Repair, and Maintenance Services	64,000	8,500	72,500	59,964	12,536
Other Purchased Property Services	116,700	(33,878)	82,822	36,533	46,289
Insurance	158,000	(33,000)	125,000	123,199	1,801
Miscellaneous Purchased Services	9,500	3,000	12,500	11,641	859
General Supplies	212,300	51,700	264,000	218,433	45,567
Energy (Natural Gas)	402,000	(101,500)	300,500	197,478	103,022
Energy (Electricity)	975,000	(70,499)	904,501	781,180	123,321
Other Objects		199	199	199	0
Total Undistributed Expenditures - Operation and Maintenance of Plant Services	2,742,556	(138,332)	2,604,224	2,249,181	355,043
Undistributed Expenditures - Care and Upkeep of Grounds					
Salaries	189,616	12,700	202,316	201,719	597
Purchased Professional & Technical Services		5,700	5,700	1,517	4,183
Cleaning, Repair, and Maintenance Services	9,000	135,300	144,300	12,231	132,069
General Supplies	81,000	(16,650)	64,350	53,815	10,535
Other Objects	1,100	250	1,350	1,331	19
Total Undistributed Expenditures - Care and Upkeep of Grounds	280,716	137,300	418,016	270,613	147,403

(continued)

TOWN OF HAMMONTON SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Security					
Purchased Professional & Technical Services	193,000	3,390	196,390	179,759	16,631
Cleaning, Repair, & Maintenance Services	3,700	0	3,700	0	3,700
General Supplies	1,900	5,610	7,510	6,101	1,409
Total Undistributed Expenditures - Security	198,600	9,000	207,600	185,860	21,740
Total Operation & Maintenance Services	3,626,037	348,142	3,974,179	3,319,292	654,887
Undistributed Expenditures - Student Transportation Services:					
Salaries of Non-Instructional Aides	154,572	14,000	168,572	165,421	3,151
Sal for Pupil Transp (Between Home and School)-Reg.	635,007	(38,169)	596,838	596,837	1
Sal for Pupil Transp (Between Home and School)-Sp Ed	227,448	(43,850)	183,598	171,644	11,954
Sal for Pupil Transp (Other than Between Home & School)	3,000	(1,000)	2,000	924	1,076
Other Purchased Professional and Technical Services	4,000	1,494	5,494	3,250	2,244
Cleaning, Repair, and Maintenance Services	25,000	38,506	63,506	63,054	452
Lease Purchase Payments - School Buses	136,300	(31,000)	105,300	104,835	465
Contracted Services - (Between Home and School) - Vendors	12,000	(10,142)	1,858	0	1,858
Contracted Services - (Other than Betw Home/Sch) - Vendors	9,400	12,200	21,600	17,875	3,725
Contracted Services - (Between Home and School) - Joint Agr	11,000	14,172	25,172	25,089	83
Contracted Services - (Special Education) - Joint Agr	22,000	(19,772)	2,228	0	2,228
Contracted Services - Aid in Lieu of Payments-Non Pub Sch	39,000	(13,442)	25,558	25,542	16
Contracted Services - Aid in Lieu of Payments-Charter	884	884	1,768	1,768	0
Miscellaneous Purchased Services	96,300	2,700	99,000	98,753	247
Supplies and Materials	405,000	52,374	457,374	444,910	12,464
Other Objects	3,000	0	3,000	425	2,575
Total Undistributed Expenditures - Student Transportation Serv.	1,783,911	(21,045)	1,762,866	1,720,327	42,539
Interest Earned on Current Expense Emergency Reserves	1,000	0	1,000		1,000
Unallocated Benefits:					
Social Security Contributions	500,000	0	500,000	472,421	27,579
Other Retirement Contributions - Regular	575,000	(4,174)	570,826	533,473	37,353
Unemployment Compensation	355,900	(315,627)	40,273	1,128	39,145
Workmen's Compensation	520,000	0	520,000	505,508	14,492
Health Benefits	5,783,667	(441,140)	5,342,527	5,062,938	279,589
Tuition Reimbursement	72,300	2,000	74,300	72,558	1,742
Other Employee Benefits	313,900	(1,000)	312,900	294,648	18,252
Total Unallocated Benefits	8,120,767	(759,941)	7,360,826	6,942,674	418,152

TOWN OF HAMMONTON SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012

Exhibit C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
On-behalf TPAF Non-Contributory Insurance					
On-Behalf TPAF Pension Contributions-Post Retirement				614,741	(614,741)
Medical Contributions (non-budgeted)				1,235,788	(1,235,788)
Reimbursed TPAF Social Security Contributions (non-budgeted)				1,587,393	(1,587,393)
Total On-behalf Contributions	0	0	0	3,437,922	(3,437,922)
Total Undistributed Expenditures	21,749,873	183,422	21,933,295	23,696,535	(1,763,240)
Total Current Expense	39,396,289	572,466	39,968,755	41,472,719	(1,503,964)
Capital Outlay:					
Interest Deposit to Capital Reserve	1,000	0	1,000		1,000
Equipment					
Grades 1-5		13,000	13,000	12,961	39
Grades 6-8	10,000	(4,600)	5,400	5,385	15
Grades 9-12		6,000	6,000	5,386	614
Undistributed Expenditures:					
Instruction	7,000	15,216	22,216	22,216	0
Support Services - Students - Regular		15,209	15,209	15,209	0
School Administration		33,018	33,018	32,719	299
Admin. Information Technology	25,000	142,024	167,024	97,597	69,427
Required Maintenance for School Facilities		56,800	56,800	52,258	4,542
Undistr. Expenditures - Custodial		231,337	231,337	231,337	0
Undistr. Expenditures - Student Transportation	27,500	(27,500)		0	0
Undistr. Expenditures - Care and Upkeep of Grounds		51,945	51,945	51,337	608
Undistr. Expenditures - Security		10,281	10,281	10,281	0
Undistr. Expenditures - Non-instructional Equipment		30,000	30,000	29,691	309
Undistr. Expenditures - School Buses - Special		32,974	32,974	32,974	0
Total Equipment	69,500	605,704	675,204	599,351	75,853
Facilities Acquisition and Construction Services					
Construction Services		30,000	30,000	29,869	131
Other Objects	77,101	0	77,101	77,101	0
Total Facilities Acquisition and Construction Services	77,101	30,000	107,101	106,970	131
Total Capital Outlay	147,601	635,704	783,305	706,321	76,984

TOWN OF HAMMONTON SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012

Exhibit C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Transfers to Charter Schools	13,402	3,611	17,013	17,013	0
Total Expenditures	39,557,292	1,211,781	40,769,073	42,196,053	(1,426,980)
Other Financing Sources (Uses):					
Capital reserve transfer to debt service	(537,524)		(537,524)	(537,524)	
Canceled purchase orders - prior year				361,812	361,812
Total Other Financing Sources (Uses)	(537,524)	0	(537,524)	(175,712)	361,812
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(1,114,625)	(479,814)	(1,594,439)	1,044,434	2,638,873
Fund Balances, July 1	7,628,423	0	7,628,423	7,628,423	0
Fund Balances, June 30	\$6,513,798	(479,814)	6,033,984	8,672,857	2,638,873

Recapitulation of Fund Balance:

Committed Fund Balance:	
Year End Encumbrances	195,926
Restricted Fund Balance:	
Designated for Subsequent Year's Expenditures	
Tuition Reserve-2010/11 Designated for Subsequent Yr's Expend.	500,000
Tuition Reserve-2011/2012	800,000
Maintenance Reserve	652,654
Maintenance Reserve Designated for Subsequent Year's Expend.	100,000
Emergency Reserve	313,604
Capital Reserve Designated for Subsequent Year's Expenditures	518,913
Capital Reserve	5,133,946
Unassigned Fund Balance	457,814
	8,672,857
Reconciliation to Governmental Funds Statements (GAAP):	
Last State Aid Payment Not Recognized on GAAP Basis:	(1,167,476)
Fund Balance per Governmental Funds (GAAP)	\$7,505,381

TOWN OF HAMMONTON SCHOOL DISTRICT

Budgetary Comparison Schedule
Education Jobs Fund
For the Fiscal Year Ended June 30, 2012

Exhibit C-1b

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
REVENUES:					
Federal Sources:					
Education Jobs Fund	365,132	17,538	382,670	382,670	0
Total Revenues	365,132	17,538	382,670	382,670	0
EXPENDITURES:					
Special Education - Instruction:					
Multiple Disabilities					
Other Salaries for Instruction	37,800	(37,800)	0		0
Total Multiple Disabilities	37,800	(37,800)	0	0	0
Resource Room/Resource Center					
Other Salaries for Instruction	35,000	(35,000)	0		0
Total Resource Room/Resource Center	35,000	(35,000)	0	0	0
Total Special Education - Instruction	72,800	(72,800)	0	0	0
Undistributed Expenditures - Other Support Services - Extraordinary Services		35,000	35,000	35,000	0
Total Undistributed Expenditures - Other Support Services - Extraordinary Services	0	35,000	35,000	35,000	0
Undistributed Expenditures - Other Support Services - Students - Special:	52,422	0	52,422	52,422	0
Total Undistributed Expenditures - Other Support Services - Students - Special:	52,422	0	52,422	52,422	0
Undistributed Expenditures - Required Maint for School Facilities					
Salaries	33,072	(733)	32,339	32,339	0
Total Undistributed Expenditures - Required Maint for School Facilities	33,072	(733)	32,339	32,339	0

(continued)

TOWN OF HAMMONTON SCHOOL DISTRICT

Exhibit C-1b

Budgetary Comparison Schedule
Education Jobs Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Custodial Services:					
Salaries	16,271	245	16,516	16,516	0
Total Undistributed Expenditures - Custodial Services	16,271	245	16,516	16,516	0
Total Undistributed Expenditures - Operation and Maintenance of Plant Services	49,343	(488)	48,855	48,855	0
Unallocated Benefits:					
Other Retirement Contributions - PERS	190,567	55,826	246,393	246,393	0
Total Undistributed Expenditures	292,332	90,338	382,670	382,670	0
Total Expenditures	\$365,132	17,538	382,670	382,670	-

TOWN OF HAMMONTON SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
REVENUES:					
Local Sources:					
Local Programs		45,821	45,821	30,425	(15,396)
Total - Local Sources	0	45,821	45,821	30,425	(15,396)
State Sources:					
Preschool Education Aid	532,855	0	532,855	499,774	(33,081)
Nonpublic aid	410,856	(23,113)	387,743	333,538	(54,205)
Total - State Sources	943,711	(23,113)	920,598	833,312	(87,286)
Federal Sources:					
Title I	512,407	456,324	968,731	749,204	(219,527)
I.D.E.A., Part B	554,924	221,895	776,819	745,632	(31,187)
Vocational Education	41,683	9,299	50,982	50,982	0
Other	129,809	55,805	185,614	175,720	(9,894)
Total - Federal Sources	1,238,823	743,323	1,982,146	1,721,538	(260,608)
Total Revenues	2,182,534	766,031	2,948,565	2,585,275	(363,290)
EXPENDITURES:					
Instruction					
Salaries of Teachers	429,219	269,004	698,223	588,451	109,772
Other Salaries for Instruction	591,056	(275,717)	315,339	309,630	5,709
Purchased Professional, Technical and Educational Services	847,154	291,484	1,138,638	1,067,050	71,588
General Supplies	41,683	149,398	191,081	181,364	9,717
Textbooks	42,403	(7,698)	34,705	32,444	2,261
Other Objects		3,230	3,230	2,530	700
Total instruction	1,951,515	429,701	2,381,216	2,181,469	199,747

(continued)

TOWN OF HAMMONTON SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
EXPENDITURES (CONT'D):					
Support Services					
Salaries of Other Professional Staff	119,796	37,342	157,138	97,008	60,130
Salaries of Secretaries and Clerical Assistants	35,000	0	35,000	30,077	4,923
Personal Services - Employee Benefits		76,712	76,712	59,710	17,002
Purchased Professional and Technical Services	76,223	105,441	181,664	138,201	43,463
Other Purchased Services		52,195	52,195	30,423	21,772
Supplies and Materials		20,215	20,215	7,962	12,253
Total support services	<u>231,019</u>	<u>291,905</u>	<u>522,924</u>	<u>363,381</u>	<u>159,543</u>
Facilities acquisition and construction services					
Instructional equipment		40,425	40,425	40,425	0
Non-Instructional equipment		4,000	4,000	0	4,000
Total facilities acquisition and construction services	<u>0</u>	<u>44,425</u>	<u>44,425</u>	<u>40,425</u>	<u>4,000</u>
Total expenditures	<u>2,182,534</u>	<u>766,031</u>	<u>2,948,565</u>	<u>2,585,275</u>	<u>363,290</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Required Supplemental Information

TOWN OF HAMMONTON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2012

Note A - Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

	<u>General Fund</u>	<u>Special Revenue</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$43,416,199	2,585,275
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized		
Prior year		14,542
Current year		(5,881)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	1,038,188	48,032
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(1,167,476)</u>	<u>(53,286)</u>
Total revenues reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>43,286,911</u>	<u>2,588,682</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	42,196,053	2,585,275
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes		
Prior year		14,542
Current year		<u>(5,881)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$42,196,053</u>	<u>2,593,936</u>

SPECIAL REVENUE FUND

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

TOWN OF HAMMONTON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenue and Expenditures
Budgetary Basis
FOR THE FISCAL YEAR ENDED June 30, 2012

Exhibit E-1
Page 1

	HEF FY12 HS Teacher of the Year Grant	HEF FY12 ECEC Teacher of the Year Grant	HEF FY12 WES Teacher of the Year Grant	HEF FY12 MS Teacher of the Year Grant	HEF VAKT Approach ECEC	HEF VAKT Approach ECEC	HEF VAKT Approach WES	HEF Art Wall Grant	HEF Family Reading Night Grant
REVENUES:									
Local Sources	\$259	499	497	499	3,980	3,980	3,980	1,405	877
State Sources									
Federal Sources									
Total revenues	<u>259</u>	<u>499</u>	<u>497</u>	<u>499</u>	<u>3,980</u>	<u>3,980</u>	<u>3,980</u>	<u>1,405</u>	<u>877</u>
EXPENDITURES:									
Instruction:									
Salaries of teachers									
Other salaries of instruction									
Purchased professional, technical and educational svcs								1,287	
General supplies	259	499	497	499	3,980	3,980	3,980	118	877
Textbooks									
Other objects									
Total instruction	<u>259</u>	<u>499</u>	<u>497</u>	<u>499</u>	<u>3,980</u>	<u>3,980</u>	<u>3,980</u>	<u>1,405</u>	<u>877</u>
Support services:									
Salaries of other professional staff									
Salaries secretaries / clerical									
Personal services- employee benefits									
Purchased professional and technical services									
Other purchased services									
Supplies and materials									
Total support services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Facilities acquisition and construction services									
Instructional equipment									
Total facilities acquisition and construction services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total expenditures	<u>\$259</u>	<u>499</u>	<u>497</u>	<u>499</u>	<u>3,980</u>	<u>3,980</u>	<u>3,980</u>	<u>1,405</u>	<u>877</u>

(continued)

TOWN OF HAMMONTON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenue and Expenditures
Budgetary Basis
FOR THE FISCAL YEAR ENDED June 30, 2012

Exhibit E-1
Page 2

	HEF Friends of Library Grant	HEF Reading Ladders Grant	HEF Hot Dots Grant	HEF Enhancing History Grant	HEF Language Instruction Grant	HEF Language Instruction Grant	HEF Language Instruction Grant	HEF Technology in The Classroom Grant	Total Local Funds
REVENUES:									
Local Sources	2,423	2,031	470	1,990	1,990	1,990	1,990	1,565	30,425
State Sources									
Federal Sources									
Total revenues	2,423	2,031	470	1,990	1,990	1,990	1,990	1,565	30,425
EXPENDITURES:									
Instruction:									
Salaries of teachers									1,287
Other salaries of instruction									
Purchased professional, technical and educational svcs									
General supplies		2,031	470	1,990	1,990	1,990	1,990	1,565	26,715
Textbooks									
Other objects									
Total instruction	0	2,031	470	1,990	1,990	1,990	1,990	1,565	28,002
Support services:									
Salaries of other professional staff									
Salaries secretaries / clerical									
Personal services- employee benefits									
Purchased professional and technical services									
Other purchased services									
Supplies and materials	2,423								2,423
Total support services	2,423	0	0	0	0	0	0	0	2,423
Facilities acquisition and construction services									
Instructional equipment									0
Total facilities acquisition and construction services	0	0	0	0	0	0	0	0	0
Total expenditures	2,423	2,031	470	1,990	1,990	1,990	1,990	1,565	30,425

TOWN OF HAMMONTON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenue and Expenditures
Budgetary Basis
FOR THE FISCAL YEAR ENDED June 30, 2012

Exhibit E-1
Page 3

REVENUES:	Nonpublic	Nonpublic Auxiliary Aid		Nonpublic Handicapped Aid			Nonpublic	Nonpublic	Nonpublic
	Textbooks	Compensatory Education	Transportation	Examination & Classification	Corrective Speech	Supplemental Instruction	Nursing	ESL	Home Instruction
Local Sources									
State Sources	32,444	141,170	25,410	\$42,997	14,217	24,553	49,572		3,175
Federal Sources									
Total revenues	<u>32,444</u>	<u>141,170</u>	<u>25,410</u>	<u>42,997</u>	<u>14,217</u>	<u>24,553</u>	<u>49,572</u>	<u>0</u>	<u>3,175</u>
EXPENDITURES:									
Instruction:									
Salaries of teachers									
Other salaries of instruction									
Purchased professional, technical and educational svcs		141,170		42,997	14,217	24,553			3,175
General supplies									
Textbooks	32,444								
Other objects									
Total instruction	<u>32,444</u>	<u>141,170</u>	<u>0</u>	<u>42,997</u>	<u>14,217</u>	<u>24,553</u>	<u>0</u>	<u>0</u>	<u>3,175</u>
Support services:									
Salaries of other professional staff									
Salaries secretaries / clerical									
Personal services- employee benefits									
Purchased professional and technical services			25,410				49,572		
Other purchased services									
Supplies and materials									
Total support services	<u>0</u>	<u>0</u>	<u>25,410</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>49,572</u>	<u>0</u>	<u>0</u>
Facilities acquisition and construction services									
Instructional equipment									
Total facilities acquisition and construction services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total expenditures	<u>32,444</u>	<u>141,170</u>	<u>25,410</u>	<u>42,997</u>	<u>14,217</u>	<u>24,553</u>	<u>49,572</u>	<u>0</u>	<u>3,175</u>

TOWN OF HAMMONTON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenue and Expenditures
Budgetary Basis
FOR THE FISCAL YEAR ENDED June 30, 2012

Exhibit E-1
Page 4

	Preschool Education Aid	Total State Funds	Title I Part A	Carryover Title I Part A	Title I Part A ARRA	Title I School Improvement ARRA	Title III English Language Enhancement	Carryover Title III English Language Enhanc.	I.D.E.A. Part - B Basic	Carryover I.D.E.A. Part - B Basic
REVENUES:										
Local Sources										
State Sources	499,774	833,312								
Federal Sources			605,586	109,133	33,016	1,469	57,017	28,849	642,253	80,295
Total revenues	<u>499,774</u>	<u>833,312</u>	<u>605,586</u>	<u>109,133</u>	<u>33,016</u>	<u>1,469</u>	<u>57,017</u>	<u>28,849</u>	<u>642,253</u>	<u>80,295</u>
EXPENDITURES:										
Instruction:										
Salaries of teachers	304,371	304,371	165,446	42,532	20,058					
Other salaries of instruction	112,359	112,359	150,808	4,169			42,294			
Purchased professional, technical and educational svcs		226,112	90,785	38,031			5,450		602,372	80,295
General supplies		0	91,779	2,353	2,166		4,963	28,472		
Textbooks		32,444								
Other objects		0		1,694						
Total instruction	<u>416,730</u>	<u>675,286</u>	<u>498,818</u>	<u>88,779</u>	<u>22,224</u>	<u>0</u>	<u>52,707</u>	<u>28,472</u>	<u>602,372</u>	<u>80,295</u>
Support services:										
Salaries of other professional staff	52,967	52,967	32,360	630	8,600	1,365	829	257		
Salaries secretaries / clerical	30,077	30,077								
Personal services- employee benefits		0	40,836	3,620	2,192	104	3,298	20		
Purchased professional and technical services		74,982	7,816	9,330					39,881	
Other purchased services		0	11,344	5,047			183	100		
Supplies and materials		0	1,413	1,727						
Total support services	<u>83,044</u>	<u>158,026</u>	<u>93,769</u>	<u>20,354</u>	<u>10,792</u>	<u>1,469</u>	<u>4,310</u>	<u>377</u>	<u>39,881</u>	<u>0</u>
Facilities acquisition and construction services										
Instructional equipment			12,999							
Total facilities acquisition and construction services	<u>0</u>	<u>0</u>	<u>12,999</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total expenditures	<u>499,774</u>	<u>833,312</u>	<u>605,586</u>	<u>109,133</u>	<u>33,016</u>	<u>1,469</u>	<u>57,017</u>	<u>28,849</u>	<u>642,253</u>	<u>80,295</u>

(continued)

TOWN OF HAMMONTON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenue and Expenditures
Budgetary Basis
FOR THE FISCAL YEAR ENDED June 30, 2012

Exhibit E-1
Page 5

	I.D.E.A. Part - B Preschool	Title II Part A	Carryover Title II Part A	Carryover Title II Part D	Perkins Vocational	Carryover Title IV, Part A Drug Free Schools	Total Federal Funds	Totals
REVENUES:								
Local Sources								30,425
State Sources								833,312
Federal Sources	23,084	78,555	9,026	1,437	50,982	836	1,721,538	1,721,538
Total revenues	<u>23,084</u>	<u>78,555</u>	<u>9,026</u>	<u>1,437</u>	<u>50,982</u>	<u>836</u>	<u>1,721,538</u>	<u>2,585,275</u>
EXPENDITURES:								
Instruction:								
Salaries of teachers		56,044					284,080	588,451
Other salaries of instruction							197,271	309,630
Purchased professional, technical and educational svcs	22,718						839,651	1,067,050
General supplies				1,360	23,556		154,649	181,364
Textbooks							0	32,444
Other objects						836	2,530	2,530
Total instruction	<u>22,718</u>	<u>56,044</u>	<u>0</u>	<u>1,360</u>	<u>23,556</u>	<u>836</u>	<u>1,478,181</u>	<u>2,181,469</u>
Support services:								
Salaries of other professional staff							44,041	97,008
Salaries secretaries / clerical							0	30,077
Personal services- employee benefits		9,640					59,710	59,710
Purchased professional and technical services	366	661	5,165				63,219	138,201
Other purchased services		12,210	1,539				30,423	30,423
Supplies and materials			2,322	77			5,539	7,962
Total support services	<u>366</u>	<u>22,511</u>	<u>9,026</u>	<u>77</u>	<u>0</u>	<u>0</u>	<u>202,932</u>	<u>363,381</u>
Facilities acquisition and construction services								
Instructional equipment					27,426		40,425	40,425
Total facilities acquisition and construction services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>27,426</u>	<u>0</u>	<u>40,425</u>	<u>40,425</u>
Total expenditures	<u>23,084</u>	<u>78,555</u>	<u>9,026</u>	<u>1,437</u>	<u>50,982</u>	<u>836</u>	<u>1,721,538</u>	<u>2,585,275</u>

TOWN OF HAMMONTON SCHOOL DISTRICT
Special Revenue Fund
Schedule of Preschool Education Aid
Budgetary Basis
For the Fiscal Year Ended June 30, 2012

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$330,143	304,371	25,772
Other Salaries for Instruction	<u>114,745</u>	<u>112,359</u>	<u>2,386</u>
Total instruction	<u>444,888</u>	<u>416,730</u>	<u>28,158</u>
Support services:			
Salaries of Supervisors of Instruction	52,967	52,967	0
Salaries of Secretarial/Clerical Assistants	<u>35,000</u>	<u>30,077</u>	<u>4,923</u>
Total support services	<u>87,967</u>	<u>83,044</u>	<u>4,923</u>
Total expenditures	<u>\$532,855</u>	<u>499,774</u>	<u>33,081</u>

CALCULATION OF BUDGET & CARRYOVER

Total Revised 2011-12 Preschool Education Aid Allocation	\$532,855
Add: Actual ECPA Carryover (June 30, 2011)	139,810
Add: Budgeted Transfer from the General Fund 2011-12	<u>0</u>
Total Preschool Education Aid Funds Available for 2011-12 Budget	672,665
Less: 2011-12 Budgeted Preschool Education Aid(Including prior year budgeted carryover)	<u>(532,855)</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2012	139,810
Add: June 30, 2012 Unexpended Preschool Education Aid	<u>33,081</u>
2011-12 Carryover - Preschool Education Aid/Preschool	<u>\$172,891</u>
2011-12 Preschool Education Aid Carryover Budgeted for Preschool Programs 2012-13	<u>\$139,810</u>

CAPITAL PROJECTS FUND

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

TOWN OF HAMMONTON SCHOOL DISTRICT
Capital Projects Fund
Summary Statement of Project Expenditures
Year Ended June 30, 2012

Exhibit F-1

<u>Number</u>	<u>Issue/Project Title</u>	<u>Original Date</u>	<u>Appropriations</u>	<u>Expenditures and Other Financing Uses to Date</u>		<u>Canceled</u>	<u>Unexpended Balance</u>
				<u>Prior Years</u>	<u>Current Year</u>		
	WES Elementary Renovations/Alterations		\$13,680,341	12,136,919	163,081	1,380,341	0
Totals			<u>\$13,680,341</u>	<u>12,136,919</u>	<u>163,081</u>	<u>1,380,341</u>	<u>0</u>

Note: Unexpended balance canceled by board resolution.

TOWN OF HAMMONTON SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budgetary Basis
For the Fiscal Year Ended June 30, 2012

Revenues and Other Financing Sources:

Interest earned	2,498
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Total revenues and other financing sources	2,498
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Expenditures and Other Financing Uses:

Purchased professional & technical services	(1,521)
Construction services	(20,213)
Transfer to debt service fund	187,313

Total expenditures and other financing uses	165,579
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Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(163,081)
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Less: Canceled	(1,380,341)
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Fund balance - beginning	1,543,422
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Fund balance - ending	\$0
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TOWN OF HAMMONTON SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budgetary Basis
Warren E. Sooy School Renovations and Alterations
For the Fiscal Year Ended June 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Bond proceeds and transfers	13,680,341		13,680,341	13,680,341
Interest earned	26,888	2,498	29,386	
Premium on BANs	86,725		86,725	
Total revenues and other financing sources	<u>13,793,954</u>	<u>2,498</u>	<u>13,796,452</u>	<u>13,680,341</u>
Expenditures and Other Financing Uses:				
Purchased professional & technical services	1,024,224	(1,521)	1,022,703	1,022,703
Construction services	11,112,695	(20,213)	11,092,482	12,657,638
Transfer to debt service fund	26,888	187,313	214,201	
Transfer to general fund	86,725		86,725	
Total expenditures and other financing uses	<u>12,250,532</u>	<u>165,579</u>	<u>12,416,111</u>	<u>13,680,341</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	1,543,422	(163,081)	1,380,341	0
Less: Canceled		<u>(1,380,341)</u>	<u>(1,380,341)</u>	
	<u>\$1,543,422</u>	<u>(1,543,422)</u>	<u>0</u>	<u>0</u>
Additional project information:				
Project number	1960-055-09-1000			
Grant Date	N/A			
Bond Authorization Date	12/9/08			
Bonds Authorized	\$13,680,341			
Bonds Issued	\$11,800,000			
Original Authorized Cost	\$13,680,341			
Additional Authorized Cost	\$0			
Revised Authorized Cost	\$13,680,341			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	100.00%			
Original target completion date	9/30/10			
Revised target completion date	9/30/11			

PROPRIETARY FUNDS

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the district's board is that the costs of providing goods or services be financed through user charges.

Food Services Fund – This fund provides for the operation of food services in all schools within the school district.

Latchkey Child Care Fund – This fund provides for the operation of school child supervision.

THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS B-4, B-5 AND B-6.

TOWN OF HAMMONTON SCHOOL DISTRICT
Enterprise Funds
Combining Balance Sheet
June 30, 2012

	Food Service	Latchkey Program	2012
ASSETS:			
Cash and cash equivalents	\$748,744	31,203	779,947
Accounts Receivable:			
State	143		143
Federal	7,437		7,437
Other	137	814	951
Inventories	9,632		9,632
Total Current Assets	<u>766,093</u>	<u>32,017</u>	<u>798,110</u>
Fixed Assets:			
Equipment	593,765	119,467	713,232
Accumulated depreciation	(446,578)	(9,710)	(456,288)
Total fixed assets	<u>147,187</u>	<u>109,757</u>	<u>256,944</u>
Total assets	<u><u>913,280</u></u>	<u><u>141,774</u></u>	<u><u>1,055,054</u></u>
LIABILITIES AND FUND EQUITY:			
Current liabilities:			
Interfund accounts payable	56,089		56,089
Accounts payable	11,552		11,552
Deferred revenue	10,524	6,877	17,401
Compensated absences payable	19,926	2,428	22,354
Total current liabilities	<u>98,091</u>	<u>9,305</u>	<u>107,396</u>
Unreserved retained earnings	668,002	22,712	690,714
Investment in fixed assets	147,187	109,757	256,944
Total fund equity	<u>815,189</u>	<u>132,469</u>	<u>947,658</u>
Total liabilities and fund equity	<u><u>\$913,280</u></u>	<u><u>141,774</u></u>	<u><u>1,055,054</u></u>

TOWN OF HAMMONTON SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Revenues, Expenses
and Changes in Retained Earnings/Fund Balance
For the Fiscal Year ended June 30, 2012

	<u>Food Service</u>	<u>Latchkey</u>	<u>2012</u>
OPERATING REVENUES:			
Local Sources:			
Daily sales- reimbursable programs			
School lunch, breakfast, snack program	\$350,968		350,968
Daily sales non- reimbursable programs	340,017		340,017
Latchkey program revenue		95,865	95,865
Miscellaneous	1,906		1,906
Special Functions	38,611		38,611
Total Operating Revenues	<u>731,502</u>	<u>95,865</u>	<u>827,367</u>
OPERATING EXPENSES:			
Salaries	416,725	78,518	495,243
Employee benefits	156,114	5,781	161,895
Supplies & Materials	58,880	2,737	61,617
Depreciation	38,095	1,860	39,955
Cost of sales	709,350		709,350
Loss on disposal of asset	2,106		2,106
Other	20,094		20,094
Total operating expenses	<u>1,401,364</u>	<u>88,896</u>	<u>1,490,260</u>
Operating income (loss)	<u>(669,862)</u>	<u>6,969</u>	<u>(662,893)</u>
Nonoperating revenues:			
State sources			
State school lunch program	15,714		15,714
Federal sources			
National school lunch program	538,111		538,111
National school breakfast program	107,971		107,971
National school snack program	1,072		1,072
Food Distribution Program	78,563		78,563
Interest revenue	9,377	1,566	10,943
Total nonoperating revenues	<u>750,808</u>	<u>1,566</u>	<u>752,374</u>
Net income	80,946	8,535	89,481
Retained earnings, July 1	734,243	123,934	858,177
Retained earnings, June 30	<u>\$815,189</u>	<u>132,469</u>	<u>947,658</u>

TOWN OF HAMMONTON SCHOOL DISTRICT
Combining Statement of Cash Flows
All Proprietary Fund Types and Similar Trust Funds
For the Fiscal Year ended June 30, 2012

	Food Service	Latchkey	2012
Cash flows from operating activities:			
Cash received from customers	\$733,646	96,480	830,126
Cash payments to employees for services	(569,864)	(97,516)	(667,380)
Cash payments to suppliers for goods and services	(738,033)	(2,737)	(740,770)
Net cash provided/(used) by operating activities	<u>(574,251)</u>	<u>(3,773)</u>	<u>(578,024)</u>
Cash flows from noncapital financing activities:			
Cash received from state and federal reimbursements	697,098		697,098
Net cash provided by noncapital financing activities	<u>697,098</u>	<u>0</u>	<u>697,098</u>
Cash flows from capital and related financing activities:			
Purchases of capital assets	(39,584)	(111,617)	(151,201)
Net cash (used) by capital and related financing activities	<u>(39,584)</u>	<u>(111,617)</u>	<u>(151,201)</u>
Cash flows from investing activities:			
Interest on investments	9,377	1,566	10,943
Net cash provided by investing activities	<u>9,377</u>	<u>1,566</u>	<u>10,943</u>
Net increase (decrease) in cash and cash equivalents	92,640	(113,824)	(21,184)
Cash and cash equivalents, July 1	<u>656,104</u>	<u>145,027</u>	<u>801,131</u>
Cash and cash equivalents, June 30	<u>\$748,744</u>	<u>31,203</u>	<u>779,947</u>
Reconciliation of operating income/(loss) to net cash provided/(used) by operating activities:			
Operating income/(loss)	(\$669,862)	6,969	(662,893)
Adjustments to reconcile operating income/(loss) to cash provided (used) by operating activities:			
Depreciation	38,095	1,860	39,955
Loss on Disposal of Asset	2,106		2,106
Federal Commodities	78,563		78,563
Change in assets and liabilities:			
Decrease/(Increase) in accounts receivable	212	840	1,052
Decrease/(Increase) in inventory	141		141
(Decrease)/Increase in accounts payable	(28,413)	(125)	(28,538)
(Decrease)/Increase in interfund accounts payable	1,721	(12,866)	(11,145)
(Decrease)/Increase in deferred revenue	1,932	(225)	1,707
(Decrease)/Increase in compensated absence payable	1,254	(226)	1,028
Net cash provided/(used) by operating activities	<u>(574,251)</u>	<u>(3,773)</u>	<u>(578,024)</u>

FIDUCIARY FUNDS

Fiduciary Funds are used to account for funds received by the school district for a specific purpose.

Agency Funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments an/or other funds.

Student Activity Fund – This agency fund is used to account for student funds held at the schools.

Payroll Fund – This agency fund is used to account for the payroll transactions of the school district.

TOWN OF HAMMONTON SCHOOL DISTRICT
Fiduciary Fund
Combining Statement of Fiduciary Net Assets
June 30, 2012

	Expendable Trusts		Agency		Total
	Scholarship	Unemployment	Student Activity	Payroll	
ASSETS:					
Cash and cash equivalents	\$74,612	239,173	272,541	19,425	605,751
Total Assets	<u>74,612</u>	<u>239,173</u>	<u>272,541</u>	<u>19,425</u>	<u>605,751</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts payable		23,289	809		24,098
Payroll deductions and withholdings				19,425	19,425
Due to student groups			271,732		271,732
Total Liabilities	<u>0</u>	<u>23,289</u>	<u>272,541</u>	<u>19,425</u>	<u>315,255</u>
Fund balances:					
Reserved - Expendable Trust					
Unemployment		215,884			215,884
Scholarship	74,612				74,612
Total fund balances	<u>74,612</u>	<u>215,884</u>	<u>0</u>	<u>0</u>	<u>290,496</u>
Total liabilities and fund balances	<u>\$74,612</u>	<u>239,173</u>	<u>272,541</u>	<u>19,425</u>	<u>605,751</u>

TOWN OF HAMMONTON SCHOOL DISTRICT
Student Activity Agency Fund
Statement of Changes in Assets and Liabilities

	<u>Balance July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2012</u>
ASSETS:				
Cash and cash equivalents	\$286,723	665,022	679,204	272,541
Total assets	<u>286,723</u>	<u>665,022</u>	<u>679,204</u>	<u>272,541</u>
LIABILITIES:				
Accounts payable	734	809	734	809
Due to student groups	285,989	664,213	678,470	271,732
Total liabilities	<u>\$286,723</u>	<u>665,022</u>	<u>679,204</u>	<u>272,541</u>

TOWN OF HAMMONTON SCHOOL DISTRICT
Scholarship Expendable Trust Fund
Statement of Revenues, Expenditures
and Changes in Fund Balance
for the Fiscal Year ended June 30, 2012

	<u>2012</u>
OPERATING REVENUES:	
Local sources:	
Interest on investments	\$937
Donations	<u>128</u>
Total operating revenues	<u>1,065</u>
OPERATING EXPENSES:	
Scholarship payments	<u>5,900</u>
Total operating expenses	<u>5,900</u>
Operating (loss)	<u>(4,835)</u>
Net (Loss)	<u>(4,835)</u>
Fund balance, July 1	<u>79,447</u>
Fund balance, June 30	<u><u>\$74,612</u></u>

TOWN OF HAMMONTON SCHOOL DISTRICT
Unemployment Expendable Trust Fund
Statement of Revenues, Expenditures
and Changes in Fund Balance
for the Fiscal Year ended June 30, 2012

	<u>2012</u>
OPERATING REVENUES:	
Local sources:	
Interest on investments	\$3,378
Transfer in from general fund	
Contributions	<u>45,063</u>
Total operating revenues	<u>48,441</u>
 OPERATING EXPENSES:	
Payments of unemployment claims	<u>94,886</u>
Total operating expenses	<u>94,886</u>
Operating Income	<u>(46,445)</u>
Net Income	<u>(46,445)</u>
Fund balance, July 1	<u>262,329</u>
Fund balance, June 30	<u><u>\$215,884</u></u>

TOWN OF HAMMONTON SCHOOL DISTRICT
Student Activity Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year ended June 30, 2012

	<u>Balance July 1, 2011</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2012</u>
ECEC	\$18,248	21,293	18,200	21,341
Elementary School	35,497	39,665	43,402	31,760
Middle School	65,038	103,292	111,264	57,066
Middle School Athletics	959	2,509	3,414	54
High School Students	164,107	392,926	400,862	156,171
High School Athletics	2,874	105,337	102,062	6,149
	<hr/>	<hr/>	<hr/>	<hr/>
Total all schools	<u>\$286,723</u>	<u>665,022</u>	<u>679,204</u>	<u>272,541</u>

TOWN OF HAMMONTON SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year ended June 30, 2012

	<u>Balance July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2012</u>
ASSETS:				
Cash and cash equivalents	\$2	11,510,773	11,491,350	19,425
Total assets	<u>2</u>	<u>11,510,773</u>	<u>11,491,350</u>	<u>19,425</u>
LIABILITIES:				
Payroll deductions and withholdings	2	11,510,773	11,491,350	19,425
Total liabilities	<u>\$2</u>	<u>11,510,773</u>	<u>11,491,350</u>	<u>19,425</u>

LONG-TERM DEBT

The Long-Term Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases.

TOWN OF HAMMONTON SCHOOL DISTRICT

Long-Term Debt
Schedule of Serial Bonds
June 30, 2012

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2011	Issued	Retired	Balance June 30, 2012
			Date	Amount					
Various Improvements to District Facilities	10/15/01	\$21,611,000				\$535,000		535,000	0
Refunding School Bonds	9/19/06	7,385,000	8/1/12	20,000	3.250%				
			8/1/13-16	25,000	3.250%				
			8/1/17	25,000	4.200%				
			8/1-18-22	30,000	4.200%				
			8/1/23-24	35,000	4.200%				
			8/1/25	540,000	4.200%				
			8/1/26	1,185,000	4.200%				
			8/1/27	1,235,000	4.200%				
			8/1/28	1,290,000	4.200%				
			8/1/29	1,345,000	4.200%				
			8/1/30	1,385,000	4.200%	7,365,000		20,000	7,345,000
Refunding School Bonds	3/23/10	10,890,000	8/1/12	605,000	2.000%				
			8/1/13	620,000	2.000%				
			8/1/14	635,000	2.000%				
			8/1/15	660,000	5.000%				
			8/1/16	695,000	5.000%				
			8/1/17	735,000	5.000%				
			8/1/18	770,000	5.000%				
			8/1/19	810,000	4.250%				
			8/1/20	250,000	4.500%				
			8/1/20	605,000	5.000%				
			8/1/21	890,000	3.125%				
			8/1/22	925,000	3.250%				
			8/1/23	965,000	5.000%				
			8/1/24	1,015,000	4.250%				
			8/1/25	555,000	4.000%	10,780,000		45,000	10,735,000
Reroofing & addition alterations to the Middle School	4/15/06	2,614,000	7/15/12	160,000	4.250%				
			7/15/13	165,000	4.250%				
			7/15/14	170,000	4.250%				
			7/15/15	180,000	4.250%				
			7/15/16	185,000	4.250%				
			7/15/17	195,000	4.250%				
			7/15/18	200,000	4.250%				
			7/15/19	210,000	4.250%				
			7/15/20	220,000	4.300%				
			7/15/21	224,000	4.300%	2,064,000		155,000	1,909,000
Various Improvements to W.E.S. Elementary School	6/24/10	11,800,000	7/1/12	450,000	3.250%				
			7/1/13-15	500,000	3.250%				
			7/1/16-20	550,000	3.500%				
			7/1/21-23	600,000	3.750%				
			7/1/24	600,000	4.000%				
			7/1/25-26	650,000	4.000%				
			7/1/27-28	700,000	4.000%				
			7/1/29	750,000	4.125%				
			7/1/30	800,000	4.125%	11,800,000		450,000	11,350,000
						<u>\$32,544,000</u>	<u>0</u>	<u>1,205,000</u>	<u>31,339,000</u>

TOWN OF HAMMONTON SCHOOL DISTRICT
Long-Term Debt
Schedule of Obligations under Capital Leases
June 30, 2012

<u>Series</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Amount Outstanding July 1, 2011</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2012</u>
Five Buses Refinanced	4.890%	294,269	21,000		21,000	0
John Deere Mower	5.750%	28,550	5,806		5,806	0
Two Buses	4.500%	154,718	92,711		29,554	63,157
One Bus	4.500%	75,895	45,478		14,497	30,981
Five Copiers	5.472%	84,390	69,304		15,933	53,371
Two Buses	4.150%	151,700	118,844		27,924	90,920
			<u>\$353,143</u>	<u>0</u>	<u>114,714</u>	<u>238,429</u>

TOWN OF HAMMONTON SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2012

Exhibit I-3

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$1,457,168	0	1,457,168	1,457,168	0
	<u>1,457,168</u>	<u>0</u>	<u>1,457,168</u>	<u>1,457,168</u>	<u>0</u>
State Sources:					
Debt Service Aid Type II	467,273	0	467,273	467,273	0
	<u>467,273</u>	<u>0</u>	<u>467,273</u>	<u>467,273</u>	<u>0</u>
Total - State Sources	<u>467,273</u>	<u>0</u>	<u>467,273</u>	<u>467,273</u>	<u>0</u>
Total Revenues	<u>1,924,441</u>	<u>0</u>	<u>1,924,441</u>	<u>1,924,441</u>	<u>0</u>
EXPENDITURES:					
Regular Debt Service:					
Interest	1,263,417	0	1,263,417	1,263,417	0
Redemption of Principal	1,205,000	0	1,205,000	1,205,000	0
	<u>2,468,417</u>	<u>0</u>	<u>2,468,417</u>	<u>2,468,417</u>	<u>0</u>
Total Regular Debt Service	<u>2,468,417</u>	<u>0</u>	<u>2,468,417</u>	<u>2,468,417</u>	<u>0</u>
Total expenditures	<u>2,468,417</u>	<u>0</u>	<u>2,468,417</u>	<u>2,468,417</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(543,976)	0	(543,976)	(543,976)	0
OTHER FINANCING SOURCES (USES)					
Transfers in	537,524		537,524	724,837	187,313
	<u>537,524</u>	<u>0</u>	<u>537,524</u>	<u>724,837</u>	<u>187,313</u>
Total other financing sources (uses)	<u>537,524</u>	<u>0</u>	<u>537,524</u>	<u>724,837</u>	<u>187,313</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(6,452)	0	(6,452)	180,861	187,313
Fund Balance, July 1	6,452	0	6,452	168,285	161,833
Fund Balance, June 30	<u>\$0</u>	<u>0</u>	<u>0</u>	<u>349,146</u>	<u>349,146</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	<u>(\$6,452)</u>	<u></u>	<u>(6,452)</u>	<u>0</u>	<u>6,452</u>

Statistical Section

Governmental Accounting Standards Board (GASB) requires 10 years of statistical information to be included in the CAFR. However due to the change in the statistical requirements information was unavailable for all 10 years.

TOWN OF HAMMONTON SCHOOL DISTRICT
Net Assets by Component,
Last Ten Fiscal Years
Unaudited

J-1

	2003	2004	2005	2006	Fiscal Year Ending June 30,		2009	2010	2011	2012
					2007	2008				
Governmental activities										
Invested in capital assets, net of related debt	8,451,542	7,288,800	8,170,291	5,376,561	8,686,694	8,695,671	19,768,759	8,040,999	8,417,262	8,693,209
Restricted	65,898	81,211	26,491	1,708,420	104,355	501,350	6,098,093	7,393,396	8,283,302	8,368,263
Unrestricted	(2,344,417)	(2,775,512)	(3,919,716)	(5,449,789)	(5,025,182)	(3,248,442)	(4,562,794)	(4,462,950)	(4,246,702)	(4,703,376)
Total governmental activities net assets	<u>6,173,023</u>	<u>4,594,499</u>	<u>4,277,066</u>	<u>1,635,192</u>	<u>3,765,867</u>	<u>5,948,579</u>	<u>21,304,058</u>	<u>10,971,445</u>	<u>12,453,862</u>	<u>12,358,096</u>
Business-type activities										
Invested in capital assets, net of related debt	324,677	286,989	264,520	290,695	274,464	257,926	212,338	168,986	147,804	256,944
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	119,329	199,334	187,577	291,602	258,018	307,763	438,281	611,144	710,498	690,714
Total business-type activities net assets	<u>444,006</u>	<u>486,323</u>	<u>452,097</u>	<u>582,297</u>	<u>532,482</u>	<u>565,689</u>	<u>650,619</u>	<u>780,130</u>	<u>858,302</u>	<u>947,658</u>
District-wide										
Invested in capital assets, net of related debt	8,776,219	7,575,789	8,434,811	5,667,256	8,961,158	8,953,597	19,981,097	8,209,985	8,565,066	8,950,153
Restricted	65,898	81,211	26,491	1,708,420	104,355	501,350	6,098,093	7,393,396	8,283,302	8,368,263
Unrestricted	(2,225,088)	(2,576,178)	(3,732,139)	(5,158,187)	(4,767,164)	(2,940,679)	(4,124,513)	(3,851,806)	(3,536,204)	(4,012,662)
Total district net assets	<u>6,617,029</u>	<u>5,080,822</u>	<u>4,729,163</u>	<u>2,217,489</u>	<u>4,298,349</u>	<u>6,514,268</u>	<u>21,954,677</u>	<u>11,751,575</u>	<u>13,312,164</u>	<u>13,305,754</u>

Source: CAFR Schedule A-1

TOWN OF HAMMONTON SCHOOL DISTRICT
Changes in Net Assets, Last Ten Fiscal Years
Unaudited

	Fiscal Year Ending June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Governmental activities										
Instruction										
Regular	14,860,674	15,842,897	16,287,798	18,343,345	17,826,984	19,897,236	20,399,302	21,833,680	21,995,805	22,351,147
Special education	2,769,398	2,725,604	3,336,335	3,465,175	3,895,199	3,515,516	3,616,097	3,685,328	3,776,332	4,147,891
Other special education										
Vocational										
Other instruction	893,617	783,862	769,597	1,020,856	1,032,040	1,064,603	1,237,852	1,338,591	1,126,267	1,451,322
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Tuition	1,415,031	1,335,375	1,012,112	497,036	657,085	783,618	689,630	627,344	820,226	1,350,389
Student & instruction related services	3,083,693	3,567,119	3,771,839	4,706,695	4,191,705	4,723,057	4,896,573	5,467,848	5,065,316	5,689,848
General administrative services	898,367	940,462	875,809	798,109	908,488	971,266	1,060,889	970,211	872,481	810,304
School administrative services	1,946,151	1,826,194	1,919,068	1,853,699	2,486,401	2,947,349	2,635,498	2,928,115	2,652,668	2,556,141
Business administrative services	631,894	594,284	1,853,622	1,870,688	1,159,896	1,161,158	1,294,613	1,175,899	870,618	4,214,748
Plant operations and maintenance	3,023,223	3,007,972	3,435,967	3,376,479	3,219,932	3,515,188	4,464,788	4,419,129	4,639,128	2,096,232
Pupil transportation	1,438,876	1,428,715	1,286,976	1,701,429	1,067,345	1,856,207	1,899,215	1,939,813	1,919,705	968,856
Capital Outlay		250,000								
Interest on long-term debt	1,355,965	1,951,180	633,543	955,730	1,439,113	1,031,095	984,436	978,539	1,303,565	1,242,891
Unallocated depreciation	57,814	96,984	97,402	-	-	-	-	-	-	-
Total governmental activities expenses	32,374,703	34,350,648	35,280,068	38,589,241	37,884,188	41,466,293	43,178,893	45,364,497	45,042,111	46,879,769
Business-type activities:										
Food service	894,354	918,751	1,014,823	1,016,873	1,243,655	1,154,383	1,217,002	1,263,475	1,328,841	1,401,364
Child Care	127,989	127,768	132,900	63,271	63,514	80,793	69,604	87,504	101,050	88,896
Total business-type activities expense	1,022,343	1,046,519	1,147,723	1,080,144	1,307,169	1,235,176	1,286,606	1,350,979	1,429,891	1,490,260
Total district expenses	33,397,046	35,397,167	36,427,791	39,669,385	39,191,357	42,701,469	44,465,499	46,715,476	46,472,002	48,370,029
Program Revenues										
Governmental activities:										
Charges for services:										
Business and other support services										
Operating grants and contributions	4,782,749	5,216,201	5,611,866	6,002,675	7,211,854	7,729,233	4,879,173	5,484,198	5,474,420	6,026,604
Capital grants and contributions										
Total governmental activities program revenues	4,782,749	5,216,201	5,611,866	6,002,675	7,211,854	7,729,233	4,879,173	5,484,198	5,474,420	6,026,604
Business-type activities:										
Charges for services										
Food service	571,816	615,213	618,046	680,439	717,065	704,928	737,605	775,789	762,141	731,502
Child care	111,976	124,740	120,148	95,027	109,467	90,284	95,832	85,874	86,676	95,865
Operating grants and contributions	316,384	346,901	368,528	421,445	416,430	462,285	534,146	612,206	649,340	741,431
Capital grants and contributions										
Total business type activities program revenues	1,000,176	1,086,854	1,106,722	1,196,911	1,242,962	1,257,497	1,367,583	1,473,869	1,498,157	1,568,798
Total district program revenues	5,782,925	6,303,055	6,718,588	7,199,586	8,454,816	8,986,729	6,246,756	6,958,067	6,972,577	7,595,402

TOWN OF HAMMONTON SCHOOL DISTRICT
Changes in Net Assets, Last Ten Fiscal Years
Unaudited

J-2

	Fiscal Year Ending June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Net (Expense)/Revenue										
Governmental activities	(27,591,954)	(29,134,447)	(29,668,202)	(32,586,566)	(30,672,334)	(33,737,060)	(38,299,720)	(39,880,299)	(39,567,691)	(40,853,165)
Business-type activities	(22,167)	40,335	(41,001)	116,767	(64,207)	22,321	80,977	122,890	68,266	78,538
Total district-wide net expense	<u>(27,614,121)</u>	<u>(29,094,112)</u>	<u>(29,709,203)</u>	<u>(32,469,799)</u>	<u>(30,736,541)</u>	<u>(33,714,740)</u>	<u>(38,218,743)</u>	<u>(39,757,409)</u>	<u>(39,499,425)</u>	<u>(40,774,627)</u>
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes levied for general purposes, net	9,718,506	10,832,490	12,187,484	13,457,287	14,521,766	15,286,742	15,551,044	15,754,360	15,873,706	15,868,258
Taxes levied for debt service	1,266,455	1,326,184	1,426,713	1,424,331	1,531,726	1,355,828	1,472,365	1,457,168	1,457,168	1,457,168
Unrestricted grants and contributions	6,370,132	6,885,518	7,460,826	7,222,920	7,301,497	9,018,736	11,953,996	12,612,680	11,993,921	13,328,842
Tuition Received	7,894,502	8,458,423	8,147,795	7,581,076	6,734,504	9,673,374	10,332,988	10,935,928	11,004,932	10,763,744
Authorized bond proceeds	-	-	-	-	-	-	13,680,341	(11,800,000)	-	(1,380,341)
Transportation fees from other LEA's	-	-	-	96,898	-	372,546	374,232	268,006	108,608	65,528
Premium on BANS	-	-	-	-	-	-	-	86,725	-	-
Investment earnings	6,143	19,337	38,461	90,020	176,431	104,908	29,673	82,818	136,986	122,949
Miscellaneous income	1,404,450	33,971	89,490	72,160	1,568,078	107,638	555,375	148,088	474,787	169,439
Canceled accounts payable prior year	-	-	-	-	-	-	-	1,913	-	-
Prior year tuition adjustment	-	-	-	-	-	-	(294,815)	-	-	-
Prior year depreciation adjustment	-	-	-	-	968,961	-	-	-	-	-
Total governmental activities	<u>26,660,188</u>	<u>27,555,923</u>	<u>29,350,769</u>	<u>29,944,692</u>	<u>32,802,963</u>	<u>35,919,772</u>	<u>53,655,199</u>	<u>29,547,686</u>	<u>41,050,108</u>	<u>40,757,399</u>
Business-type activities:										
Investment earnings	2,209	2,012	6,775	13,433	14,392	10,886	3,953	6,621	9,906	10,943
Transfers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>2,209</u>	<u>2,012</u>	<u>6,775</u>	<u>13,433</u>	<u>14,392</u>	<u>10,886</u>	<u>3,953</u>	<u>6,621</u>	<u>9,906</u>	<u>10,943</u>
Total district-wide	<u>26,662,397</u>	<u>27,557,935</u>	<u>29,357,544</u>	<u>29,958,125</u>	<u>32,817,355</u>	<u>35,930,658</u>	<u>53,659,152</u>	<u>29,554,307</u>	<u>41,060,014</u>	<u>40,768,342</u>
Change in Net Assets										
Governmental activities	(931,766)	(1,578,524)	(317,433)	(2,641,874)	2,130,629	2,182,712	15,355,479	(10,332,613)	1,482,417	(95,766)
Business-type activities	(19,958)	42,347	(34,226)	130,200	(49,815)	33,207	84,930	129,511	78,172	89,481
Total district	<u>(951,724)</u>	<u>(1,536,177)</u>	<u>(351,659)</u>	<u>(2,511,674)</u>	<u>2,080,814</u>	<u>2,215,919</u>	<u>15,440,409</u>	<u>(10,203,102)</u>	<u>1,560,589</u>	<u>(6,285)</u>

Source: CAFR Schedule A-2

TOWN OF HAMMONTON SCHOOL DISTRICT
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
Unaudited

J-3

	2003	2004	2005	2006	Fiscal Year Ending June 30,		2009	2010	2011	2012
					2007	2008				
General Fund										
Reserved	1,072	15,570	57,506	1,147	48,838	623,123	3,884,621	5,708,667	6,951,409	8,215,043
Unreserved	127,376	(129,824)	(796,362)	(2,527,337)	(1,475,707)	318,301	(775,524)	(609,351)	(361,174)	(709,662)
Total general fund	<u>128,448</u>	<u>(114,254)</u>	<u>(738,856)</u>	<u>(2,526,190)</u>	<u>(1,427,069)</u>	<u>941,424</u>	<u>3,109,097</u>	<u>5,097,316</u>	<u>6,590,235</u>	<u>7,505,381</u>
All Other Governmental Funds										
Reserved	141,908	65,641	43,839	1,707,273	257,409	72,632	2,232,790	1,737,244	1,711,707	161,833
Unreserved, reported in:										
Special revenue fund	(94,012)	(89,166)	(89,166)	(89,166)	(89,166)	(110,054)	(45,752)	(46,531)	(48,032)	(53,286)
Capital projects fund										
Debt service fund	16,930	18,495	(9,717)	18,835	34,288	53,763				187,313
Permanent fund										
Total all other governmental funds	<u>64,826</u>	<u>(5,030)</u>	<u>(55,044)</u>	<u>1,636,942</u>	<u>202,531</u>	<u>16,341</u>	<u>2,187,038</u>	<u>1,690,713</u>	<u>1,663,675</u>	<u>295,860</u>

Source: CAFR Schedule B-1

TOWN OF HAMMONTON SCHOOL DISTRICT
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
Unaudited

J-4

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Tax levy	10,984,961	12,158,674	13,614,197	14,881,618	16,053,492	16,642,570	17,023,409	17,211,528	17,330,874	17,325,426
Tuition charges	7,894,502	8,458,423	8,147,795	7,581,076	6,734,504	9,673,374	10,332,988	10,935,928	11,004,932	10,763,744
Transportation fees from other LEA's				96,898		372,546		268,006	108,608	65,528
Authorized bond proceeds							13,680,341			
Premium on BANS								86,725		
Interest earnings	17,473	19,337	38,461	90,020	176,431	104,908	29,673	82,818	136,986	122,949
Miscellaneous	554,569	34,772	89,490	72,160	1,568,078	107,638	555,375	148,088	474,787	169,439
Local sources							845	15,090	24,821	30,732
State sources	10,082,827	10,820,115	11,616,328	11,775,958	12,999,729	15,296,007	15,495,103	14,066,255	15,324,843	17,153,603
Federal sources	1,058,724	1,280,934	1,456,364	1,449,637	1,513,622	1,451,962	1,337,221	4,015,534	2,118,677	2,171,111
Total revenue	30,593,056	32,772,255	34,962,635	35,947,367	39,045,856	43,649,005	58,829,187	46,829,972	46,524,528	47,802,532
Expenditures										
Instruction										
Regular Instruction	11,291,159	11,053,740	12,155,534	13,578,326	13,632,222	14,263,014	14,514,741	15,737,602	16,000,702	15,953,026
Special education instruction	2,190,418	2,054,334	2,346,714	2,397,677	2,641,398	2,411,048	2,715,445	2,768,922	2,775,736	2,991,466
Other instruction	751,219	623,794	610,208	755,111	737,417	789,801	917,775	984,650	832,708	1,034,069
Support Services:										
Tuition	1,415,031	1,085,108	739,690	343,318	444,086	530,869	480,244	430,965	562,886	907,174
Student & instruction related services	2,537,508	2,786,728	2,857,850	3,432,870	3,012,741	3,454,749	3,855,442	4,288,327	3,987,763	4,508,703
General administrative services	719,063	681,934	606,880	705,599	803,757	858,373	940,582	838,312	751,321	683,550
School Administrative services	1,587,246	1,417,330	1,439,817	1,335,520	1,742,670	2,048,926	1,884,748	2,055,120	1,862,916	1,769,602
Plant operations and maintenance	2,587,102	2,427,919	2,805,954	2,942,269	2,844,734	3,096,687	3,981,895	3,868,452	3,143,460	3,319,292
Pupil transportation	1,393,376	1,209,841	1,092,639	1,397,610	844,777	1,428,176	1,480,764	1,571,381	1,576,219	1,720,327
Business administrative services	547,250	511,688	1,718,256	1,674,694	938,446	916,767	1,044,682	907,958	654,854	715,728
Unallocated employee benefits	5,050,907	6,245,165	7,307,014	7,626,474	8,526,050	9,270,248	8,526,385	9,598,786	9,348,170	10,440,306
Capital outlay	920,322	1,579,184	509,985	1,018,824	1,791,581	1,240,699	12,198,110	983,768	1,303,782	725,012
Debt service:										
Principal	13,953	368,953	424,953	444,953	464,953	624,953	649,953	643,953	1,270,000	1,205,000
Interest and other charges	1,355,965	1,039,095	1,021,757	1,003,470	986,860	1,032,392	1,005,236	976,798	1,139,830	1,263,417
Total expenditures	32,360,519	33,084,813	35,637,251	38,656,715	39,409,692	41,966,702	54,196,002	45,654,994	45,210,347	47,236,672
Excess (Deficiency) of revenues over (under) expenditures	(1,767,463)	(312,558)	(674,616)	(2,709,348)	(363,836)	1,682,303	4,633,185	1,174,978	1,314,181	565,860
Other Financing sources (uses)										
Prior year tuition adjustment							(294,815)			
Canceled accounts payable prior year								1,913		361,812
Canceled bond proceeds										(1,380,341)
Capital leases (non-budgeted)	173,930				28,500			315,003	151,700	
Increase in Maintenance Reserve						500,000				
Sale of Assets	599,881									
Sale Leaseback of Textbooks	925,000									
Bond proceeds	250,000			2,614,000						
Transfers in	6,130	1,565	4,683	28,552	84,287	92,107		93,176	818,799	724,837
Transfers out	(6,130)	(1,565)	(4,683)	(28,552)	(84,287)	(92,107)		(93,176)	(818,799)	(724,837)
Total other financing sources (uses)	1,948,811	-	-	2,614,000	28,500	500,000	(294,815)	316,916	151,700	(1,018,529)
Net change in fund balances	181,348	(312,558)	(674,616)	(95,348)	(335,336)	2,182,303	4,338,370	1,491,894	1,465,881	(452,669)
Debt service as a percentage of noncapital expenditures	4.36%	4.47%	4.12%	3.85%	3.86%	4.07%	3.94%	3.63%	5.49%	5.31%

Source: CAFR Schedule B-2

TOWN OF HAMMONTON SCHOOL DISTRICT
General Fund Other Local Revenue by Source
Last Ten Fiscal Years
Unaudited

<u>Fiscal Year Ended June 30,</u>	<u>Interest on Investments</u>	<u>Tuition Revenue</u>	<u>Transportation Fees from other LEA's</u>	<u>Misc.</u>	<u>Total</u>
2003	19,975	7,894,502		428,917	8,343,394
2004	17,772	8,458,423		34,102	8,510,297
2005	38,461	8,147,795		89,490	8,275,746
2006	90,020	7,581,076	96,898	72,160	7,840,154
2007	176,431	6,734,504		1,568,078	8,479,013
2008	104,908	9,673,374	372,546	107,638	10,258,466
2009	29,673	10,332,988	374,232	556,220	11,293,113
2010	82,818	10,935,928	268,006	148,088	11,434,840
2011	136,986	11,004,932	108,608	474,787	11,725,313
2012	120,451	10,763,744	65,528	169,439	11,119,162

Source: District Records

TOWN OF HAMMONTON SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years
Unaudited

J-6

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax- Exempt Property	Public Utilities *	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2003	22,368,400	484,670,600	23,451,400	5,926,000	130,540,600	21,094,800	7,685,100	695,736,900	-	6,646,577	702,383,477	1.731	740,052,130
2004	27,054,400	500,554,400	22,584,100	5,867,000	142,115,200	21,001,100	7,692,700	726,868,900	7,442,300	6,133,153	725,559,753	1.876	825,343,821
2005	23,939,500	533,381,500	22,279,600	5,764,500	142,374,700	21,007,300	7,708,100	756,455,200	5,254,100	5,426,724	756,627,824	1.967	924,294,923
2006	21,518,400	567,908,100	22,690,900	5,980,700	140,103,800	21,031,700	7,708,100	786,941,700	3,573,400	4,280,750	787,649,050	2.038	1,162,989,293
2007	19,674,500	590,584,400	23,686,300	5,889,800	145,483,600	21,031,700	7,732,900	814,083,200	1,332,300	3,778,874	816,529,774	2.039	1,363,394,393
2008	19,334,600	607,801,900	23,043,600	5,842,900	147,236,700	23,512,800	7,732,900	834,505,400	2,879,100	3,605,816	835,232,116	2.038	1,493,581,717
2009	18,665,200	614,622,900	23,667,400	5,821,900	153,108,200	20,219,400	7,732,900	843,837,900	2,686,000	3,310,989	844,462,889	2.038	1,560,289,186
2010	18,359,200	617,744,600	23,051,900	5,877,300	156,430,100	20,219,400	7,732,900	849,415,400	2,592,500	3,490,780	850,313,680	2.038	1,485,264,070
2011	18,128,500	620,302,800	21,771,600	5,726,000	155,236,500	20,290,700	7,732,900	849,189,000	2,228,800	3,086,138	850,046,338	2.038	1,528,585,395
2012	17,929,300	621,441,600	22,363,700	5,689,800	179,267,900	13,320,200	7,608,200	867,620,700	928,900	3,328,262	870,020,062	2.028	1,411,600,333

Source: District records Tax list summary & Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

^a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

^b Tax rates are per \$100

TOWN OF HAMMONTON SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
Rate per \$100 of Assessed Value
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Town of Hammonton Board of Education			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General	Total Direct	Town of Hammon- ton	Atlantic County	
		Obligation Debt				
		Service ^b				
2003	1.542	0.189	1.731	0.730	0.540	3.001
2004	1.680	0.197	1.876	0.740	0.510	3.126
2005	1.779	0.188	1.967	0.740	0.510	3.217
2006	1.844	0.194	2.038	0.751	0.539	3.328
2007	1.873	0.166	2.039	0.755	0.513	3.307
2008	1.872	0.166	2.038	0.760	0.519	3.317
2009	1.865	0.173	2.038	0.761	0.559	3.358
2010	1.867	0.171	2.038	0.765	0.562	3.365
2011	1.867	0.171	2.038	0.769	0.656	3.463
2012	1.856	0.172	2.028	0.825	0.628	3.481

Source: District Records and Municipal Tax Collector

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

- a** The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.
- b** Rates for debt service are based on each year's requirements.

TOWN OF HAMMONTON
Principal Property Tax Payers,
Current Year and Nine Years Ago
Unaudited

Taxpayer	2012			2003		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
NJ Manufacturers Insurance Company	15,500,000	1	1.79%			
Kramer Beverage RE LLC	6,500,000	2	0.75%			
Wells Fargo Bank	6,500,000	3	0.75%			
Atlantic Heath Land Holdings LLC	6,200,000	4	0.71%			
Rt 206 Inc.	6,065,300	5	0.70%			
1001 Grand St Investors LLC	5,259,600	6	0.61%			
Hammonton Realty Associates LLC	5,186,100	7	0.60%			
Wal-Mart RE Bus Trst	4,764,700	8	0.55%			
Peachtree LLC	3,440,600	9	0.40%			
Bell Atlantic - Property	3,328,262	10	0.38%			
Zirbser - Greenbriar Inc				6,601,600	1	0.91%
999 Grand Ave Assoc				6,500,000	2	0.90%
Bell Atlantic Property Tax Dept.				6,133,153	3	0.85%
Rt 206 Inc				5,614,000	4	0.77%
The TSG Grat #1, LLC				5,186,100	5	0.71%
1001 Grand Ave Assoc, LP				4,673,700	6	0.64%
Wal-mart RE Bus. Trust				4,553,200	7	0.63%
Peachtree LLC				3,353,100	8	0.46%
Rucha Corp				2,429,700	9	0.33%
Vision Properties				2,224,200	10	0.31%
Total	<u>62,744,562</u>		<u>7.23%</u>	<u>47,268,753</u>		<u>6.52%</u>

Source: District CAFR & Municipal Tax Assessor
District Total Taxable Value

TOWN OF HAMMONTON
Property Tax Levies and Collections,
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2003	10,984,961	10,984,961	100%	
2004	12,158,674	12,158,674	100%	
2005	13,614,197	13,614,197	100%	
2006	14,881,618	14,881,618	100%	
2007	16,053,492	16,053,492	100%	
2008	16,642,570	16,642,570	100%	
2009	17,023,409	17,023,409	100%	
2010	17,211,528	17,211,528	100%	
2011	17,330,874	17,330,874	100%	
2012	17,325,426	17,325,426	100%	

Source: District records including the Certificate and Report of School Taxes (A4F form)

Note: School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, which is the amount voted upon or certified prior to the end of the school year.

TOWN OF HAMMONTON SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
2003	21,736,577		6,683,531			28,420,108	0.118%	33,427
2004	21,519,718		5,338,330			26,858,048	0.128%	34,442
2005	21,094,765		3,905,935			25,000,700	0.142%	35,552
2006	23,263,812		2,483,303			25,747,115	0.143%	36,874
2007	23,287,859		1,246,554			24,534,413	0.156%	38,351
2008	22,662,906		372,816			23,035,722	0.171%	39,370
2009	22,012,953		125,214			22,138,167	0.172%	38,175
2010	33,314,000		341,965	7,100,000		40,755,965	0.098%	39,746
2011	32,544,000		353,143			32,897,143	0.121%	39,746
2012	31,339,000		238,429			31,577,429	0.126%	39,746

Source: District CAFR Schedules I-1, I-2

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

a See Exhibit NJ J-13 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

b Includes Early Retirement Incentive Plan (ERIP) refunding. Also includes funds in the amount of \$6,600,000 used to retire Bond Anticipation Notes.

TOWN OF HAMMONTON
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2003	21,736,577		21,736,577	3.09%	1,684
2004	21,256,000		21,256,000	2.93%	1,617
2005	20,881,000		20,881,000	2.76%	1,553
2006	23,100,000		23,100,000	2.93%	1,716
2007	23,174,000		23,174,000	2.84%	1,721
2008	22,599,000		22,599,000	2.71%	1,684
2009	21,999,000		21,999,000	2.61%	1,639
2010	33,314,000		33,314,000	3.92%	2,643
2011	32,544,000		32,544,000	3.83%	2,423
2012	31,339,000		31,339,000	3.60%	2,118

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

a See Exhibit J-6 for property tax data.

b Population data can be found in Exhibit J-14.

TOWN OF HAMMONTON
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2012
Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Town of Hammonton	17,797,020	100.00%	17,797,020
Other debt			
Atlantic County	131,518,545	2.82%	<u>3,708,823</u>
Subtotal, overlapping debt			21,505,843
Town of Hammonton School District Direct Debt		100.00%	<u>31,577,429</u>
Total direct and overlapping debt			<u><u>53,083,272</u></u>

Sources: Town of Hammonton Finance Officer, Atlantic County Finance Office

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Hammonton. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

- a** For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

TOWN OF HAMMONTON SCHOOL DISTRICT
Legal Debt Margin Information,
Last Ten Fiscal Years
Unaudited

J-13

Legal Debt Margin Calculation for Fiscal Year 2012

	Equalized valuation basis	
	2011	1,411,600,333
	2010	1,522,788,887
	2009	1,469,260,961
	[A]	<u>4,403,650,181</u>
Average equalized valuation of taxable property	[A/3]	1,467,883,394
Debt limit (4 % of average equalization value)	[B]	58,715,336 a
Net bonded school debt	[C]	<u>31,339,000</u>
Legal debt margin	[B-C]	<u>27,376,336</u>

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt limit	27,080,671	28,654,197	31,437,254	36,632,790	31,904,554	51,366,979	57,358,013	59,620,835	60,462,261	58,715,336
Total net debt applicable to limit	<u>21,708,671</u>	<u>21,256,000</u>	<u>20,881,000</u>	<u>23,100,000</u>	<u>23,174,000</u>	<u>22,599,000</u>	<u>21,999,000</u>	<u>33,314,000</u>	<u>32,544,000</u>	<u>31,339,000</u>
Legal debt margin	<u>5,372,000</u>	<u>7,398,197</u>	<u>10,556,254</u>	<u>13,532,790</u>	<u>8,730,554</u>	<u>28,767,979</u>	<u>35,359,013</u>	<u>26,306,835</u>	<u>27,918,261</u>	<u>27,376,336</u>
Total net debt applicable to the limit as a percentage of debt limit	80.16%	74.18%	66.42%	63.06%	72.64%	44.00%	38.35%	55.88%	53.83%	53.37%

Source: Abstract of Ratables and District Records CAFR Schedule J-7

TOWN OF HAMMONTON SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income (thousands of dollars) ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2003	12,777	427,097	33,427	5.90%
2004	12,906	444,508	34,442	5.10%
2005	13,147	467,402	35,552	6.50%
2006	13,448	495,882	36,874	6.50%
2007	13,464	516,358	38,351	7.20%
2008	13,463	530,038	39,370	7.20%
2009	13,420	512,309	38,175	8.90%
2010	13,433	533,908	39,746	15.60%
2011	14,797	588,122	39,746	16.00%
2012	14,779	587,406	39,746	16.20%

Source:

a Population information provided by the NJ Dept of Labor and Workforce Development

b Personal income is calculated by multiplying per capita income by the population

b Per Capita Income US Department of Commerce, Bureau of Economic Analysis

d Unemployment data provided by the NJ Dept of Labor and Workforce Development

[illegible]

GASB requires this table to present the principal taxpayers for the current year and nine years ago, however the information was not available.

TOWN OF HAMMONTON SCHOOL DISTRICT
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years
Unaudited

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Instruction										
Regular	168.7	170.0	186.6	186.6	202.0	206.0	213.0	213.0	208.0	203.6
Special education	40.0	47.0	48.8	48.8	64.0	81.0	95.0	96.0	86.0	62.0
Other special education										13.0
Vocational	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0
Other instruction										
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Tuition										
Student & instruction related services		43.0	43.0	57.0	49.5	36.0	42.0	45.0	42.0	65.4
General administrative services		4.0	4.0	4.5	4.0	4.0	6.5	6.0	4.8	3.0
School administrative services		23.0	23.0	22.5	22.5	31.0	32.5	33.0	24.0	24.5
Business administrative services		9.0	10.0	11.0	9.0	9.0	11.5	10.0	8.0	9.0
Plant operations and maintenance		33.5	33.5	33.5	28.0	42.5	47.5	45.5	44.0	44.6
Pupil transportation		50.0	50.0	50.0	37.0	37.5	36.5	41.0	39.0	40.0
Special Schools										
Food Service		17	17	17	18	17	18.5	19.5	19.5	19.0
Child Care		1	1	1	1	1	4	4	4	4.0
Total	210	399	418	433	436	466	508	514	481	490

Source: District Personnel Records

Information for support services for 2003 was not available.

TOWN OF HAMMONTON SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years
Unaudited

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2003	3,113	31,018,738	9,964	156.26%	210	1:15	1:13	1:13	3,113	2,908	24.97%	93.41%
2004	3,254	32,149,468	9,880	-0.85%	218	1:21	1:13	1:11	3,241	3,035	4.11%	93.64%
2005	3,305	34,646,525	10,483	6.10%	236	1:15	1:12	1:14	3,301	3,069	1.85%	92.97%
2006	3,362	37,633,511	11,194	6.78%	236	1:15	1:12	1:14	3,367	3,133	2.00%	93.05%
2007	3,284	36,445,075	11,098	-0.86%	267	1:15	1:12	1:14	3,294	3,071	-2.16%	93.22%
2008	3,266	40,435,198	12,381	11.56%	288	1:15	1:12	1:14	3,265	3,057	-0.89%	93.63%
2009	3,395	42,194,457	12,428	0.39%	309	1:15	1:12	1:14	3,362	3,143	2.97%	93.49%
2010	3,434	44,385,958	12,925	4.00%	310	1:15	1:12	1:14	3,420	3,179	1.73%	92.95%
2011	3,551	43,738,546	12,317	-4.70%	296	1:15	1:12	1:14	3,521	3,280	2.95%	93.16%
2012	3,567	45,636,878	12,794	3.87%	281	1:15	1:12	1:14	3,540	3,312	0.54%	93.56%

Sources: District records, ASSA and Schedules J-12, J-14

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-2
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

TOWN OF HAMMONTON SCHOOL DISTRICT
School Building Information
Last Seven Fiscal Years
Unaudited

	2006	2007	2008	2009	2010	2011	2012
<u>District Building</u>							
<u>Early Childhood Learning Center</u>							
(2001)							
Square Feet	35,365	35,365	35,365	35,365	35,365	35,365	35,365
Capacity (students)	500	500	500	500	500	500	500
Enrollment	492	497	499	418	432	451	408
<u>Elementary</u>							
(1973)							
Square Feet	97,240	97,240	97,240	97,240	97,240	97,240	97,240
Capacity (students)	1,464	1,464	1,464	1,464	1,464	1,464	1,464
Enrollment	875	846	648	809	840	873	907
<u>Middle School</u>							
(1965)							
Square Feet	109,950	109,950	109,950	109,950	109,950	109,950	109,950
Capacity (students)	1,604	1,604	1,604	1,604	1,604	1,604	1,604
Enrollment	643	648	816	849	827	811	823
<u>High School</u>							
(2002)							
Square Feet	190,641	190,641	190,641	190,641	190,641	190,641	190,641
Capacity (students)	1,850	1,850	1,850	1,850	1,850	1,850	1,850
Enrollment	1,355	1,293	1,303	1,319	1,335	1,415	1,427
<u>Other</u>							
Transportation							
Square Feet	8,000	8,000	8,000	8,000	8,000	8,000	8,000

Number of Schools at June 30, 2012

Early Learning Center = 1

Elementary = 1

Middle School = 1

High School = 1

Source: District records, ASSA

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions. Enrollment is based on the annual October district count.

Information for years 2003 through 2005 was not available.

TOWN OF HAMMONTON SCHOOL DISTRICT
General Fund
Schedule of Required Maintenance for School Facilities
Last Ten Years
Unaudited

J-19

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
11-000-261-XXX

School Facilities	Project # (s)	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
High School	SP99341L	0	73,057	139,242	111,121	99,644	134,785	330,661	147,195	286,799	187,754
Middle School	N/A	87,360	42,134	80,305	65,948	59,132	79,985	196,224	94,181	110,111	278,713
Elementary School	N/A	74,066	35,347	67,370	55,171	49,470	66,916	164,161	56,446	74,101	92,894
Early Childhood Center	SP99343	28,487	13,553	25,831	21,298	19,097	25,832	63,370	37,553	38,188	54,277
Total School Facilities		<u>189,913</u>	<u>164,091</u>	<u>312,748</u>	<u>253,538</u>	<u>227,342</u>	<u>307,518</u>	<u>754,416</u>	<u>335,375</u>	<u>509,199</u>	<u>613,638</u>
Other Facilities											
Grand Total		<u><u>189,913</u></u>	<u><u>164,091</u></u>	<u><u>312,748</u></u>	<u><u>253,538</u></u>	<u><u>227,342</u></u>	<u><u>307,518</u></u>	<u><u>754,416</u></u>	<u><u>335,375</u></u>	<u><u>509,199</u></u>	<u><u>613,638</u></u>

TOWN OF HAMMONTON SCHOOL DISTRICT

Insurance Schedule

June 30, 2012

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
New Jersey School Boards Assoc. Insurance Group - Cape May Atlantic Insurance Pool		
Property Package	97,383,438	5,000
Environmental Package	1,000,000	10,000
Extra Expense	50,000,000	5,000
Valuable Papers	10,000,000	5,000
Business Income/Tuition	10,700,000	5,000
EDP	500,000	1,000
Equipment Breakdown	100,000,000	5,000
General Liability	11,000,000	0
Automobile Liability	11,000,000	0
Auto Phys. Damage	ACV Basis	1,000
Auto Phys. Damage	Replacement Cost	0
Workers' Compensation and Supplemental Indemnity		0
Workers' Compensation Part #1	Statutory	
Employers' Liability Part #2		
Each Accident/Each Employee/Limit by Disease	2,000,000	
School Leaders Errors and Omissions Liability		
Coverage A	6,000,000	5,000
Coverage B	100,000/300,000	5,000
Surety Bond - RLI Insurance Company	25,000	
Business Administrator - Barbara S. Prettyman		

Source: District Records.

Single Audit Section

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

991 S. Black Horse Pike
P.O. Box 799
Williamstown, NJ 08094

(856) 629-3111
Fax (856) 728-2245

October 22, 2012

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable President and
Members of the Board of Education
Town of Hammonton School District
County of Atlantic, New Jersey

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Town of Hammonton School District, in the County of Atlantic, State of New Jersey, as of and for the fiscal year ended June 30, 2012, which collectively comprise the Board of Education of the Town of Hammonton's basic financial statements and have issued our report thereon dated October 22, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

Management of the Town of Hammonton School District, in the County of Atlantic, State of New Jersey, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Town of Hammonton Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Hammonton Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Hammonton Board of Education's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

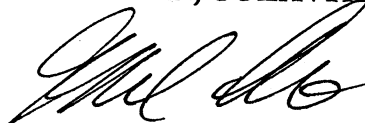
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Hammonton Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

This report is intended solely for the information and use of the audit committee, management, the Town of Hammonton Board of Education, the New Jersey Department of Education and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

991 S. Black Horse Pike
P.O. Box 799
Williamstown, NJ 08094

(856) 629-3111
Fax (856) 728-2245

October 22, 2012

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04

The Honorable President and
Members of the Board of Education
Town of Hammonton School District
County of Atlantic, New Jersey

Compliance

We have audited the Board of Education of the Town of Hammonton School District, in the County of Atlantic, State of New Jersey, compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2012. The Town of Hammonton Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Town of Hammonton Board of Education's management. Our responsibility is to express an opinion on the Town of Hammonton Board of Education's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; OMB Circular A-133 *Audits of States, Local Governments and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Town of Hammonton Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Town of Hammonton Board of Education's compliance with those requirements.

In our opinion, the Board of Education of the Town of Hammonton School District, in the County of Atlantic, State of New Jersey, complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2012.

Internal Control Over Compliance

Management of the Board of Education of the Town of Hammonton School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Town of Hammonton Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal and or state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and NJ OMB's Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Hammonton Board of Education's internal control over compliance.

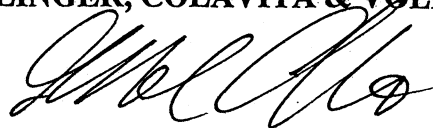
A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance; such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiency in internal control over compliance that we consider to be a material weakness, as defined above.

This report is intended for the information and use of the audit committee, management, the Town of Hammonton Board of Education, the New Jersey State Department of Education, and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915

TOWN OF HAMMONTON SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year Ended June 30, 2012

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period	Balance 6/30/11	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances/ Adjustments for Prior Year Cancelled Encumbrances	Deferred Revenue 6/30/12	(Accounts Receivable) 6/30/12	Due to Grantor at 6/30/12
U.S. Department of Education												
General Fund:												
Education Jobs Fund	84.410A	ARRA	365,132	08/10/10-09/30/12								
Medical Assistance Program	93.778	N/A	59,245	07/01/11-06/30/12			371,724	(382,670)			(10,946)	
Medical Assistance Program	93.778	N/A	55,538	07/01/10-06/30/11	(15,278)		39,858	(58,549)			(18,691)	
							15,278					
Total General Fund					(15,278)	0	426,860	(441,219)	0	0	(29,637)	0
U.S. Department of Agriculture												
Passed-through State Department of Education:												
Enterprise Fund:												
Food Distribution Program	10.565	N/A	\$76,719	07/01/11-06/30/12		3,076	76,719	(78,563)		1,232		
Food Distribution Program	10.565	N/A	64,930	07/01/10-06/30/11	\$3,076	(3,076)						
National School Lunch Program	10.555	N/A	538,111	07/01/11-06/30/12			532,735	(538,111)			(5,376)	
National School Lunch Program	10.555	N/A	480,616	07/01/10-06/30/11	(32,798)		32,798					
School Snack Program	10.555	N/A	1,072	07/01/11-06/30/12			1,072	(1,072)				
School Snack Program	10.555	N/A	926	07/01/10-06/30/11								
School Breakfast Program	10.553	N/A	107,971	07/01/11-06/30/12			105,910	(107,971)			(2,061)	
School Breakfast Program	10.553	N/A	87,962	07/01/10-06/30/11	(7,243)		7243					
Total Enterprise Fund					(36,965)	0	756,477	(725,717)	0	1,232	(7,437)	0
U.S. Department of Education												
Passed-through State Department of Education:												
Special Revenue Fund:												
No Child Left Behind (N.C.L.B.)												
Title I	84.010	NCLB-1960-12	730,855	09/01/11-08/31/12				(605,586)			(605,586)	
Title I, Carryover	84.010	NCLB-1960-11	658,665	09/01/10-08/31/11	(222,550)		286,224	(109,133)			(45,459)	
Title I, Carryover	84.010	NCLB-1960-10	602,832	09/01/09-08/31/10	(16,503)		16,503					
ARRA - Title I, Part A	84.389	ARRA-1960-10	189,307	09/01/09-08/31/11	(14,800)		47,816	(33,016)				
Title I, School Improvement Act, Carryover	84.010	NCLB-1960-10	20,319	09/01/09-08/31/10	(443)		443					
ARRA - Title I, School Improvement Act	84.888	ARRA-1960-10	8,285	09/01/09-08/31/11			1,469	(1,469)				
Title II, Part A	84.367	NCLB-1960-12	82,952	09/01/11-08/31/12				(78,555)			(6,487)	
Title II, Part A, Carryover	84.367	NCLB-1960-11	95,918	09/01/10-08/31/11	(31,546)		34,085	(9,026)				
Title II, Part A, Carryover	84.367	NCLB-1960-10	92,222	09/01/09-08/31/10	(1,622)		1,622					
Title II, Part D, Carryover	84.318	NCLB-1960-11	1,734	09/01/10-08/31/11		299	602	(1,437)			(536)	
Title II, Part D, Carryover	84.318	NCLB-1960-10	6,006	09/01/09-08/31/10	(550)		550					
Title III, English Lang Enhancement	84.365A	NCLB-1960-12	62,364	09/01/11-08/31/12				(57,017)			(57,017)	
Title III, Eng Lang Enhance, Carryover	84.365A	NCLB-1960-11	54,381	09/01/10-08/31/11	(10,688)		11,066	(26,849)			(28,471)	
Title III, Eng Lang Enhance, Carryover	84.365A	NCLB-1960-10	42,616	09/01/09-08/31/10	(1,020)		1,020					
Title IV, Carryover	84.186	NCLB-1960-11	11,873	09/01/09-08/31/10	(4,556)		5,392	(836)				
IDEA Part B, Basic Regular	84.027A	IDEA-1960-12	673,440	09/01/11-08/31/12			456,271	(842,253)			(185,982)	
IDEA Part B, Basic Reg, Carryover	84.027A	IDEA-1960-11	644,550	09/01/10-08/31/11	(168,683)		248,978	(80,295)				
IDEA Part B, Basic Reg, Carryover	84.027A	IDEA-1960-10	631,143	09/01/09-08/31/10	(43,392)		43,392					
ARRA - IDEA Part B, Basic	84.391A	ARRA-1960-10	758,169	09/01/09-08/31/11	(17,495)		17,495					
IDEA Part B, Preschool	84.173	IDEA-1960-12	23,084	09/01/11-08/31/12			23,084	(23,084)				
IDEA Part B, Preschool, Carryover	84.173	IDEA-1960-11	22,924	09/01/10-08/31/11	(6,878)		6,878					
IDEA Part B, Preschool, Carryover	84.173	IDEA-1960-10	21,709	09/01/09-08/31/10	639				(639)			
ARRA - IDEA Part B, Preschool	84.392A	ARRA-1960-10	27,334	09/01/09-08/31/11	(4,015)		4,015					
Carl D. Perkins, Secondary	84.048	PERK-1960-12	50,982	07/01/11-06/30/12			27,951	(50,982)			(23,031)	
Carl D. Perkins, Secondary	84.048	PERK-1960-11	51,884	07/01/10-06/30/11	(12,200)		12,200					
Total Special Revenue Fund					(556,003)	0	1,247,056	(1,721,538)	(639)	0	(1,031,124)	0
Total Federal Financial Assistance					(608,246)	0	2,430,393	(2,888,474)	(639)	1,232	(1,068,198)	0

The Accompanying Notes to Schedules of Awards and Financial Assistance are an integral part of this schedule.

TOWN OF HAMMONTON SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year Ended June 30, 2012

Exhibit K-4
Schedule B

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period	Balance 6/30/11	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances/ Adjustments for Prior Year Cancelled Encumbrances	Balance at June 30, 2012			MEMO	
									(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education													
General Fund:													
Equalization Aid	12-495-034-5120-078	\$10,831,466	07/01/11-06/30/12										
Special Education Aid	12-495-034-5120-089	1,263,188	07/01/11-06/30/12			10,831,466	(10,831,466)					1,019,790	10,831,466
School Choice Aid	12-495-034-5120-088	305,424	07/01/11-06/30/12			1,263,188	(1,263,188)					118,930	1,263,188
Special Education Extraordinary Aid	12-100-034-5120-473	143,426	07/01/11-06/30/12			305,424	(305,424)					28,756	305,424
Special Education Extraordinary Aid	11-100-034-5120-473	101,974	07/01/10-06/30/11	(\$101,974)			(143,426)		(143,426)				143,426
Nonpublic Transportation Aid	12-495-034-5120-014	5,046	07/01/11-06/30/12			101,974							
Nonpublic Transportation Aid	11-495-034-5120-014	5,220	07/01/10-06/30/11	(5,220)			(5,046)		(5,046)				5,046
Anti-Bullying Aid	N/A	1,088	07/01/11-06/30/12			5,220							
On-Behalf TPAF Non-Contributory Insurance	12-495-034-5095-006	614,741	07/01/11-06/30/12			1,088	(1,088)						1,088
On-Behalf TPAF Pension Contributions						614,741	(614,741)						614,741
Post Retirement Medical	12-495-034-5095-001	1,235,788	07/01/11-06/30/12			1,235,788	(1,235,788)						1,235,788
Reimbursed TPAF													
Social Security Contributions	12-495-034-5095-002	1,587,393	07/01/11-06/30/12			1,515,844	(1,587,393)		(71,549)				1,587,393
Reimbursed TPAF													
Social Security Contributions	11-495-034-5095-002	1,431,112	07/01/10-06/30/11	(69,953)		69,953							
Total General Fund				(177,147)	0	15,944,686	(15,987,560)	0	(220,021)	0	0	1,167,476	15,987,560
Special Revenue Fund:													
Preschool Education Aid	12-495-034-5120-086	532,855	07/01/11-06/30/12			532,855	(499,774)			33,081		53,286	499,774
Preschool Education Aid	11-495-034-5120-086	480,320	07/01/10-06/30/11	139,810						139,810			
N.J. Nonpublic Aid:													
Textbook Aid	12-100-034-5120-064	34,705	07/01/11-06/30/12			34,705	(32,444)				2,261		32,444
Textbook Aid	11-100-034-5120-064	42,403	07/01/10-06/30/11	1,211									
Nursing Aid	12-100-034-5120-070	49,572	07/01/11-06/30/12			49,572	(49,572)	(1,211)					
Auxiliary Services:											0		49,572
Compensatory Education	12-100-034-5120-067	162,303	07/01/11-06/30/12			162,303	(141,170)						141,170
Compensatory Education	11-100-034-5120-067	166,617	07/01/10-06/30/11	5,861							21,133		
Transportation	12-100-034-5120-068	31,422	07/01/11-06/30/12			31,422	(25,410)	(5,861)					25,410
Transportation	11-100-034-5120-068	25,980	07/01/10-06/30/11	1							6,012		
Home Instruction	12-100-034-5120-067	3,175	07/01/11-06/30/12			0	(3,175)	(1)					
Home Instruction	11-100-034-5120-067	714	07/01/10-06/30/11	(714)		714			(3,175)				3,175
English as a Second Language	12-100-034-5120-067	862	07/01/11-06/30/12			862	0				862		0
Handicapped Services:													
Examination & Classification	12-100-034-5120-066	47,192	07/01/11-06/30/12			47,192	(42,997)				4,195		42,997
Examination & Classification	11-100-034-5120-066	66,979	07/01/10-06/30/11	18,012				(18,012)					
Corrective Speech	12-100-034-5120-066	27,645	07/01/11-06/30/12			27,645	(14,217)				13,428		14,217
Corrective Speech	11-100-034-5120-066	26,599	07/01/10-06/30/11	2,347				(2,347)					
Supplemental Instruction	12-100-034-5120-066	30,867	07/01/11-06/30/12			30,867	(24,553)				6,314		24,553
Supplemental Instruction	11-100-034-5120-066	31,267	07/01/10-06/30/11	1,389				(1,389)					
Total Special Revenue Fund				167,917	0	918,137	(833,312)	(28,821)	(3,175)	172,891	54,205	53,286	833,312
State Department of Education Debt Service Fund													
	12-495-034-5120-017	467,273	07/01/11-06/30/12			467,273	(467,273)						467,273
State Department of Agriculture Enterprise Fund:													
State School Lunch Program	12-100-010-3360-023	15,714	07/01/11-06/30/12			15,571	(15,714)		(143)				15,714
State School Lunch Program	11-100-010-3360-023	15,350	07/01/10-06/30/11	(1,769)		1,769							
				(1,769)	0	17,340	(15,714)	0	(143)	0	0	0	15,714
Total State Financial Assistance				(\$10,999)	0	17,347,436	(17,303,859)	(28,821)	(223,339)	172,891	54,205	1,220,762	17,303,859

Town of Hammonton School District
Notes to the Schedules of Financial Assistance
June 30, 2012

NOTE 1. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Town of Hammonton School District. The Board of Education is defined in Note 1(A) to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements.

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-4.2.

The net adjustment to reconcile from budgetary basis to GAAP basis is \$(129,288) for the general fund and \$3,100 for the special revenue fund. See the following schedules and Note 1(E)9 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. There are no differences in the reporting of the food service or debt service funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

Town of Hammonton School District
Notes to the Schedules of Financial Assistance
June 30, 2012

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
State Assistance:			
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of State Financial Assistance	\$15,987,560	833,312	16,820,872
 Difference – budget to "GAAP" Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
 The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33).	(129,288)	(5,254)	(134,542)
 Total State revenue as reported on the statement of revenues, expenditures and changes in fund balances	<u>\$15,858,272</u>	<u>828,058</u>	<u>16,686,330</u>

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 441,219	15,858,272	16,299,491
Special Revenue Fund	1,729,892	828,058	2,557,950
Debt Service Fund		467,273	467,273
Food Service Fund	725,717	15,714	741,431
 Total Awards and Financial Assistance	<u>\$2,896,828</u>	<u>17,169,317</u>	<u>20,066,145</u>

Town of Hammonton School District
Notes to the Schedules of Financial Assistance
June 30, 2012

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
Federal Assistance:			
Actual amounts (budgetary)			
“revenues” from the Schedule of			
Expenditures of Federal Awards	\$441,219	1,721,538	2,162,757
 Difference – budget to “GAAP”			
Grant accounting budgetary			
basis differs from GAAP in that			
encumbrances are recognized as			
expenditures, and the related			
revenue is recognized.		8,354	8,354
 Total Federal revenue as reported			
on the statement of revenue,			
expenditures, and changes in fund			
balances	\$441,219	1,729,892	2,171,111

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions, respectively. The amounts reported as TPAF Pension Contributions represents the amount paid by the State on behalf of the district for the year ended June 30, 2012. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer’s share of social security contributions for TPAF members for the year ended June 30, 2012.

NOTE 6. SCHOOLWIDE PROGRAM FUNDS

Schoolwide programs are not separate Federal programs as defined in OMB Circular A-133; amounts used in schoolwide programs are included in the total expenditures of the program contributing the funds in the Schedule of Expenditure of Federal Awards. The district does not operate any schoolwide programs.

**TOWN OF HAMMONTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified Opinion

Internal control over financial reporting:

- 1) Material weakness (es) identified? _____ yes X no
- 2) Significant deficiencies identified? _____ yes X none reported

Noncompliance material to basic
financial statements noted?

_____ yes X no

Federal Awards

Internal control over major programs:

- 1) Material weakness (es) identified? _____ yes X no
- 2) Significant deficiencies identified? _____ yes X none reported

Type of auditor's report issued on compliance for
major programs:

Unqualified Opinion

Any audit findings disclosed that are required to be
reported in accordance with section .510(a) of
Circular A-133?

_____ yes X no

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title I
84.389	ARRA Title I
84.027	IDEA
84.173	IDEA Preschool
84.391	ARRA IDEA
84.392	ARRA IDEA Preschool
84.410	Education Jobs Fund

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000.00

Auditee qualified as low-risk auditee? X yes _____ no

State Awards

Identification of major programs:

121

**TOWN OF HAMMONTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(continued)**

Section II - Financial Statement Findings

Finding: NONE

Criteria or specific requirement:

Condition:

Context:

Effect:

Cause:

Recommendation:

Management's response:

**TOWN OF HAMMONTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(continued)**

**Section III - Federal Awards and State Financial Assistance
Findings and Questioned Costs**

FEDERAL AWARDS

Finding: NONE

Information on the federal program:

Criteria or specific requirement:

Condition:

Questioned Costs: None

Context:

Effect:

Cause:

Recommendation:

Management's response:

**TOWN OF HAMMONTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(continued)**

**Section III - Federal Awards and State Financial Assistance
Findings and Questioned Costs**

STATE FINANCIAL ASSISTANCE

Finding: NONE

Program

Criteria or specific requirement:

Condition:

Questioned Costs: None

Context:

Effect:

Cause:

Recommendation:

Management's response:

**TOWN OF HAMMONTON SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2012**

This section identifies the status of prior - year findings related to the basic financial statements and Federal and State awards that are required to be reported in accordance with Chapter 6.12 Government Auditing Standards, U.S. OMB Circular A-133 (Section .315 (a) (b)) and New Jersey OMB's Circular 04-04.

STATUS OF PRIOR - YEAR FINDINGS

Financial Statement Findings:

None